

ARMY SERVICE FORCES MANUAL

M 365-9

CIVIL AFFAIRS HANDBOOK

PHILIPPINE ISLANDS

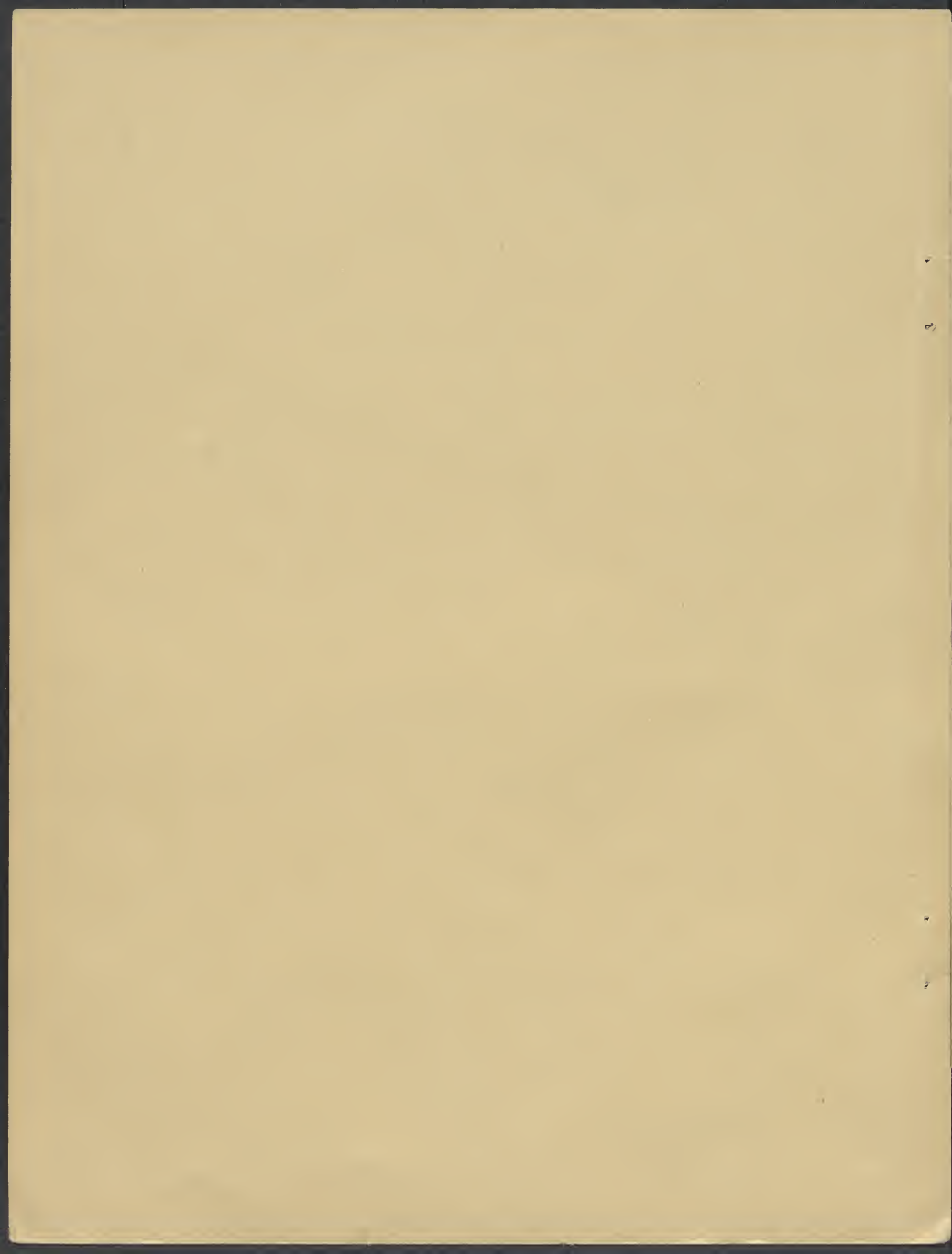
SECTION 9: LABOR

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SECTION 9: LABOR

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NUMBERING SYSTEM OF
ARMY SERVICE FORCES MANUALS

The main subject matter of each Army Service Forces Manual is indicated by consecutive numbering within the following categories:

M1 - M99 Basic and Advanced Training
M100 - M199 Army Specialized Training Program and Pre-
Induction Training
M200 - M299 Personnel and Morale
M300 - M399 Civil Affairs
M400 - M499 Supply and Transportation
M500 - M599 Fiscal
M600 - M699 Procurement and Production
M700 - M799 Administration
M800 - M899 Miscellaneous
M900 - up Equipment, Materiel, Housing and Construction

* * * * *

HEADQUARTERS, ARMY SERVICE FORCES
Washington 25, D. C. 14 April 1944

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[SPX 461 (21 Sep 43)]

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This study on Labor in the Philippine Islands was prepared for the
MILITARY GOVERNMENT DIVISION, OFFICE OF THE PROVOST MARSHAL GENERAL
by the

U. S. BUREAU OF LABOR STATISTICS
DEPARTMENT OF LABOR

OFFICERS USING THIS MATERIAL ARE REQUESTED TO MAKE SUGGESTIONS AND
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INTRODUCTION

Purposes of the Civil Affairs Handbook.

The basic purposes of civil affairs officers are (1) to assist the Commanding General by quickly establishing those orderly conditions which will contribute most effectively to the conduct of military operations, (2) to reduce to a minimum the human suffering and the material damage resulting from disorder and (3) to create the conditions which will make it possible for civilian agencies to function effectively.

The preparation of Civil Affairs Handbooks is a part of the effort to carry out these responsibilities as efficiently and humanely as is possible. The Handbooks do not deal with plans or policies (which will depend upon changing and unpredictable developments). It should be clearly understood that they do not imply any given official program of action. They are rather ready reference source books containing the basic factual information needed for planning and policy making.

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1. Geographical and Social Background
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5. Money and Banking
6. Natural Resources
7. Agriculture
8. Industry and Commerce
9. Labor
10. Public Works and Utilities
11. Transportation Systems
12. Communications
13. Public Health and Sanitation
14. Public Safety
15. Education
16. Public Welfare
17. Cultural Institutions

This study on Labor in the Philippine Islands was prepared for the MILITARY GOVERNMENT DIVISION, OFFICE OF THE PROVOST MARSHAL GENERAL by the U. S. BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR.

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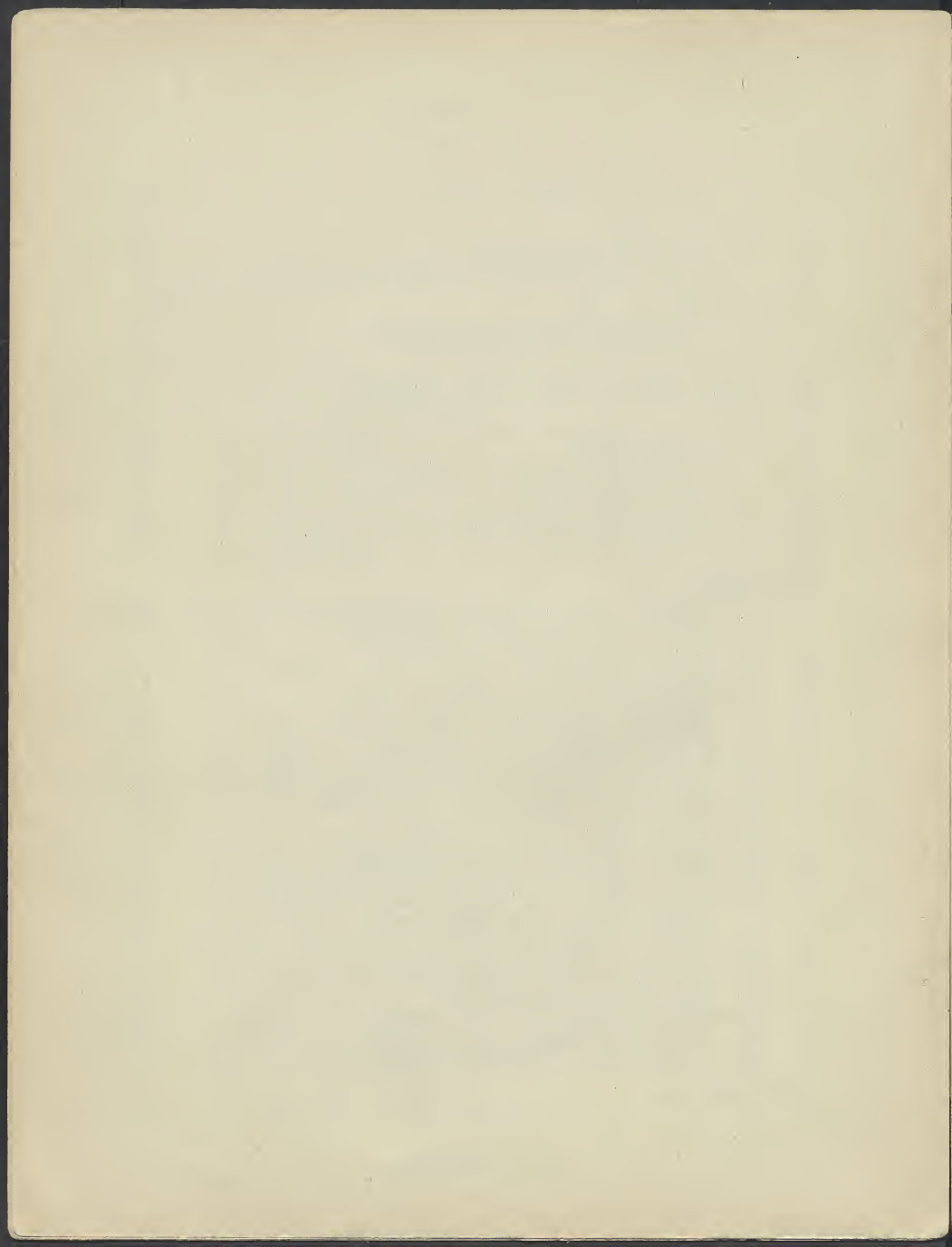
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ECONOMIC BACKGROUND

An understanding of basic labor conditions in the Philippines requires a brief review of the economy of those islands.

Agriculture.--The tropical location of the Philippines has tended to preserve a traditional agrarian economy with more than 85 percent of the population directly or indirectly dependent upon farming for a living while the ownership of the land was concentrated in the hands of a relatively few persons. The family is the traditional labor unit in Philippine agriculture.

That occidental methods of production had not penetrated deeply into agriculture in the Islands was shown by the fact that in 1939 one-fifth of all farms reported that they had no plow. The deep mold board plow was beginning to be used on sugar and some tobacco farms. In rice cultivation, in which 48.9 percent of all farms were engaged, the plow generally consisted of a fork of a tree with a native iron tip. Tractors and other types of modern farm machinery were being used on a small scale.

Next to rice growing, the greatest number of farms and the greatest number of agricultural workers were concerned with the production of coconuts and copra (dried coconut meat). Approximately 18.5 percent of all Philippine farms were devoted to growing the coconut palm and to producing copra.

Corn and abacá farming were next in order of importance. Methods of corn cultivation were rather similar to those in the United States. The abacá, however, has practically no counterpart in this country. From the leaves of the plant, which grows to a height of approximately 12 feet, fiber is extracted by a crude, homesite machine. Nearly all this fiber which was exported was used for cordage, while that which remained in the Philippines was used to make clothing for the natives.

Exports of the Philippines indicated the predominance of agriculture in the economy of the Islands. The major exports were raw materials and unfinished goods, namely, sugar, copra, abacá, tobacco, timber, and coconut oil.

Industry.--Turning from agriculture, up to the time of the Japanese invasion light industry was just beginning to appear in the Philippines. This industry consisted of a few cement plants, coconut oil mills, edible oil products manufactories, candy and shirt factories. At the same time several of the ironmongers and brass makers were beginning to make castings on a commercial scale.

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Nevertheless, the foundation of Philippine industry was of the home variety. In the homes a great many articles were produced and offered for local consumption and in a few instances for export. In this cottage industry, the labor force consisted of a family which was working in a family shop.

By the time of the Japanese occupation, farm cottage industry, however, was not in a satisfactory condition. This was caused by importers bringing in Japanese and Chinese factory made goods that could be sold for less than the cost of production under the home industry system. This was true especially with respect to the hat and wooden clog shoe industries. And cigar making, which had been a home industry, had seen companies move the workers from their cottages into factories in great tobacco centers. The export of tobacco products had brought about this change for the sake of uniformity of product and for sanitary reasons.

The important embroidery industry was going through a similar transition by 1941. Formerly a home industry, foreign capital established centers in Manila and other important cities wherein the workers would make embroidery. When a worker was found to be reliable, the employee was allowed to take the pattern home and work there. In brief, embroidery manufacture was in process of changing from a true cottage industry to a basic factory type although the motive power was still manual.

One activity that did not leave the home was weaving. It was based upon native grown cotton that had been grown in Luzon for centuries. Fibers other than cotton were also used in weaving, in fact it was said that perhaps the finest cloth was made from pineapple fiber. That weaving was continuing to be an expanding home industry was traceable to the world-wide depression which affected the Philippines in the 1930's. An explanation for the weaving industry remaining in the home was that practically the entire output was consumed domestically.

Under the Japanese, attention appears to be focused on agricultural development rather than on large scale manufacturing. It seems not unreasonable to expect, therefore, that cottage industries may of necessity thrive somewhat better during the period of occupation than formerly.

Mining.--The mining industry on an appreciable scale is a relative newcomer in the Philippines. It began with the commercial production of gold in 1913, and received an added stimulus at the hands of Japan following her earlier aggressive moves in 1932, which stimulated interest in Philippine deposits of iron, manganese and copper. Both the volume and value of mineral production increased steadily in recent years, until in 1940 the industry ranked third in value of output, after rice and sugar. It also was said to pay the highest wages of any industry in the Philippines.

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Trade, transportation and fishing.--From the point of view of numbers of workers engaged these three activities were next to manufacturing and mechanical industries in importance. In the Philippines persons engaged in trade consisted largely of sales employees, peddlers and market vendors. Regarding transportation, interisland shipping occupied an important place. In transportation of all types in 1938 corporations had more than half the total assets. Half the gross receipts and more than two-fifths of all employees. That same year, 4 government agencies were reported as transportation operators.

Fishing was important because fish and rice constitute the main diet of the great majority of the Filipinos. Although, in 1938, inshore fishing provided work for the greatest number of persons employed in the entire fishing industry, the most capital was invested in fish ponds. Also, the value of the fish produced in ponds exceeded that of any other kind of fishing.

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SUMMARY

Prior to Japanese Occupation

Employment.--Persons with gainful occupations, in 1939, numbered 8,466,493 in a total population of approximately 16,000,000. Of those occupied, 4,219,278 were males and 4,247,215 were females. Agriculture with 3,456,370 workers and domestic and personal service with 3,478,084 employees were the chief occupations. Only 601,335 were employed in manufacturing and mechanical industries. The seasonal nature of many of the occupations caused nearly one-fourth of the workers to have more than one occupation. Unemployment in the Western sense of the word was normally not extensive in the Philippines because the Islands were not highly industrialized and also because traditionally the Filipino family took care of its own relief problems.

Migration has played an important role in the Philippines. Although the actual number of non-Filipino workers in 1939, was only 111,579, many of the occupations in the Islands were under the control of aliens. There were two major movements of Filipino workers, one consisted of interisland migrations of agricultural laborers who followed the planting and harvesting of seasonal crops such as sugar, tobacco, coconut, abaca, and rice. The other migration of Filipino workers occurred between the Philippines and Hawaii because the Hawaiian sugar industry needed workmen.

Child labor was widespread in the Philippines, and there were many violations of child labor regulations. In 1939, 512,680 children between the ages of 10 and 14 years of age were gainfully employed. Through the Inspection Service, the Philippine Government attempted to protect employed minors.

Employment agencies.--By 1938, free public employment services were being performed by representatives of the Department of Labor in 36 cities and towns. From 1934 to 1940 they had registered 31,579 applications for employment, and had placed 12,505 persons. At the same time, private employment agencies were closely supervised by the State.

Wages, hours, and working conditions.--Wages of more than 85 percent of the workers were fixed by customary contracts. Wages were established by collective bargaining for a relatively small group of industrial workers. State control over wages was centered in the Court of Industrial Relations which had the power to fix a minimum wage or maximum rental. In 1939, the average daily wage for all occupations was 0.61 peso (approximately 30 cents in United States currency). The majority of the wage earners, however, were in agriculture and in domestic and personal service in which the average daily wage was 0.44 and 0.53 pesos respectively.

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In 1939, the 8-hour workday was made applicable to all industrial or occupational employees, except farm laborers, workers on the piece-work basis, domestic servants, and members of the family of the employer. Overtime was to be paid for at the rate of 25 percent of and in addition to the basic rate. No regular practice obtained with respect to vacations. In general vacations with pay applied to persons in the higher salary brackets and not to the wage earner.

Labor legislation and labor policies.--By 1941, all labor matters were being handled by the Department of Labor and the Court of Industrial Relations. These agencies administered laws that dealt with such subjects as wage payments, hours of labor, safety regulations for hazardous occupations, and control of labor unions. However, protective labor legislation had not been extended on a very extensive scale.

Labor organizations.--The government required all labor organizations to register with the Philippine Secretary of Labor. In 1940, there were 391 registered organizations with a membership of 96,877. Union membership was greatest in sugar centrals and refineries, mining, and stevedoring. The organizations worked to obtain higher wages and better working conditions for their members, but labor unions in general tended to be political-action organizations.

Industrial relations.--Collective bargaining agreements were in existence among a small portion of the gainful workers of the Philippines. Thus, for the period of December 1939 to December 1940, 118 such agreements covering 6,937 workers, were ratified. In the event that an agreement between employer and employee could not be reached, the State provided, by 1936, that disputes were to be settled by mediation, conciliation, or arbitration. Mediation and conciliation activities were in the sphere of special Government mediators and the Philippine Department of Labor, while the Court of Industrial Relations handled arbitration matters. In 1940, there were 158 registered industrial disputes involving 18,728 workers.

Settlement of wage claims and tenancy conflicts was handled by the Bureau (later the Department) of Labor. Regarding wage claims, in 1940, 5,178 such claims were settled, and 224,061 pesos were collected by the claimants. In that same year, the Government settled 1,270 tenancy conflicts, involving 377,357 pesos, of which 301,007 pesos were collected.

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Cooperatives.--The Philippine Government took the lead in encouraging and supervising cooperatives. These organizations included agricultural credit, farmers' marketing, consumers', industrial, and dealers' cooperatives. There were in addition, credit unions, a cooperative college, and a cooperative hospital. By 1941, there were nearly 700 such organizations with a total membership of approximately 120,000, and a capital of more than 7,600,000 pesos.

In 1941, Government corporations were established to act as federations of the cooperatives. At the head of the system was placed the National Cooperatives Administration which was to act as the coordinator of the Government corporations and the supervisor of the cooperatives.

Social insurance.--Social insurance in the Philippines was limited to accident compensation and to the provision of a pension system for certain classes of civil servants.

That the Government had not enacted more social insurance statutes is explained by some commentators by the fact that the promised independence in 1946 might bring to an end the favorable marketing conditions the Filipino economy enjoyed while a territory of the United States. With the loss of that market, Government revenue would face a reduction that was estimated as high as 60 percent. For that reason it was believed that the Government preferred to postpone the passage of social insurance legislation until the national income had been adjusted to the post-independence situation.

Under Japanese Occupation

Philippine economy was disrupted by the invaders. Business houses and factories were closed, and unemployment became a serious problem. In agriculture, cotton cultivation was stressed and, sugar, the previously important product, was de-emphasized. Japanese paper money introduced as the legal currency depreciated the value of the peso, thereby reducing seriously the buying power of the Filipino.

With respect to labor, the Japanese are attempting, apparently, to lower the standard of living of the Philippine worker. Maximum wages have been established, hours of work increased, and independent labor unions outlawed. At the same time, in spite of efforts at Government control, prices of staple commodities have increased in the black market, from 5 to 10 times their pre-war cost.

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Outwardly, cooperatives which flourished under the Commonwealth have been allowed to function, but they have been shaped to the invaders' desires. In line with stressing agriculture, agricultural cooperatives have been encouraged. To gain the support of the Filipinos and at the same time discomfit the disliked enemy national, the Chinese middleman, the Japanese have encouraged the growth of retail cooperatives with an exclusively Filipino membership.

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Table 1.—Gainful Workers 10 Years Old and Over, by General Occupation Groups and by Sex for the Philippines: 1939

Occupation Group	Number			Percent Distribution			Percent of Total	
	Both sexes	Male	Female	Both sexes	Male	Female	Male	Female
Total	8,466,493	4,219,278	4,247,215	100.00	100.00	100.00	49.8	50.2
Agriculture	3,456,370	2,981,551	474,819	49.8	70.7	11.2	36.3	13.7
Domestic and personal service	3,478,084	123,508	3,354,576	41.1	2.9	79.0	3.6	96.4
Professional service	103,415	65,438	37,977	1.2	1.6	0.9	63.3	36.7
Public service (not elsewhere classified)	49,620	48,984	636	0.6	1.2	1/	98.7	1.3
Fishing	180,569	175,841	4,728	2.1	4.2	0.1	97.4	2.6
Forestry and hunting	26,820	24,903	1,917	0.3	0.6	1/	92.9	7.1
Mining and quarrying	47,019	46,625	394	0.6	1.1	1/	99.2	0.8
Manufacturing and mechanical industries	601,335	333,976	267,359	7.1	7.9	6.3	55.5	44.5
Transportation and communication	203,596	202,449	1,147	2.4	4.8	1/	99.4	0.6
Clerical	48,899	44,904	3,995	0.6	1.1	0.1	91.8	8.2
Trade	270,766	171,099	99,667	3.2	4.1	2.3	63.2	36.8

1/ Less than 0.1 percent.

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I. LABOR CONDITIONS PRIOR TO JAPANESE OCCUPATION

A. EMPLOYMENT CONDITIONS

1. Industrial Distribution

In a population of approximately 16,000,000 in 1939, the number of persons with gainful occupations was stated officially as 8,466,493. Of that number, 4,219,278 were men and 4,247,215 were women, or, in terms of percent, 49.8 and 50.2, respectively. The two largest occupation groups were agriculture with 3,456,370 workers and domestic and personal service with 3,478,084 employees. In agriculture the men outnumbered the women by more than 6 to 1, while in the domestic and personal service group, females outnumbered males by more than 26 to 1. Of the working population, only 601,335 were employed in manufacturing and mechanical industries. Table 1 indicates the distribution of workers by occupation group and by sex in 1939.

The seasonal nature of many of the occupations resulted in considerable numbers of workers engaging in additional employment during periods when they were not working at their regular occupation. From table 2 it is evident that nearly one-fourth of the gainfully occupied had an additional occupation, and that more than half of those so reporting had agriculture as their regular employment. Proportionately, fewest additional occupations were reported among the public service and clerical groups.

Table 2.--Number of Persons in Each General Occupation Groups and Number Reporting an Additional Occupation: 1939

General Occupation Group	Number in Occupation	Number Reporting Additional Occupation
Total	8,466,493	2,006,521
Agriculture	3,456,370	1,097,752
Domestic and personal service	3,478,084	723,936
Professional service	103,415	5,334
Public service (not elsewhere classified)	49,620	1,929
Fishing	180,569	34,645
Forestry and hunting	26,820	7,436
Mining and quarrying	47,019	3,086
Manufacturing and mechanical industries	601,335	85,319
Transportation and communication	203,596	20,938
Clerical	48,899	1,392
Trade	270,766	24,754

The nature of those additional occupations is indicated in table 3. For such activity, farm labor with 932,188 entries constituted the additional occupation of nearly half the people who reported they were so engaged.

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Table 3.--Distribution of Persons Reporting Additional Occupation:
1939

Nature of Additional Occupation	Number Reporting
Total	2,087,474
Farm labor	932,188
Fishing	200,949
Mat making	140,100
Dealers	110,180
Weaving	91,299
Skilled labor	87,321
Road and street construction	81,251
Embroidery, dressmaking, and sewing	73,208
Gathering forest products	69,471
Barbers, waiters, and cooks	44,741
Hat making	41,581
Basket making	29,224
Farmers, farm owners	27,330
Making nets and traps	19,456
Clerical and professional work	15,037
Banca, utensil, and implement making	9,230
Broom, hammock, and furniture making	6,302
Making shoes and slippers	3,573
Others	105,033

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2. Regional Distribution

Agriculture

In 1938, about 96 percent of the 10,399,340 acres under cultivation were owned by Filipinos whose farms averaged 3 acres. Although the land cultivated was but 14.1 percent of the total land area, agricultural activity contributed fully 80 percent of the national income of the Philippines, prior to the outbreak of war with Japan. Philippine law prohibited the acquisition of land in excess of 250 acres by individuals or more than 2,500 acres by corporations, and with comparatively few large plantations the agricultural economy was based very largely upon small holdings of individual land owners and tenant farmers.

Distribution of the leading crops is fairly general throughout the archipelago. However, some areas have attained special prominence in the production of certain crops, either through custom or natural advantages in climate or soil. Thus the central plain of Luzon was the most important rice area, the island of Negros the chief sugar center, and Southern Luzon the main coconut region. Abaca' (manila hemp) was produced chiefly in Mindanao, Leyte, Albay and Laguna, while the principal tobacco-producing provinces were Isabela, Cagayan, La Union, Pangasinan, and Cebu. These 5 agricultural products constituted the leading crops with their combined acreage accounting for approximately 85 percent of the cultivated land in 1938.

Mining

Although gold, coal and iron were produced in a small way even prior to the Spanish regime, commercial production of gold on an appreciable scale was not started until 1913, while active exploration of base metals--long known to exist--began only in 1935. In recent years, however, both volume and value of mineral production increased steadily, until in 1940 the industry ranked third in value of output, i.e., after rice and sugar. The mineral deposits are located as follows: gold in the Mountain Province and on the island of Masbate; coal mainly in Cebu, Masbate and Mindoro; iron in Bulacan, Camarines Norte, Suriago, and Samar; chromite at Zambales and in Camarines Sur; copper in the Mountain Province, Zambales, Panay, and elsewhere; lead and zinc in Marinduque; and asbestos in Ilocos Norte.

Fisheries

In view of the importance of the fishing industry and of the place occupied by fish in the Filipino diet, a census of this primary food producing industry was taken (for the first time) in 1939. Of about 1,600 different species of fish, only about 100 were marketed, although the majority of them were edible.

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The different kinds of fishing consisted of offshore, inshore, offshore-inshore, inland, and fish pond. Offshore fishing centered in Batangas, Manila and Sulu, while Mindoro, Batangas and Bulacan were the leading provinces in the value of fish caught in inshore fishing. Batangas, Cotabato, Lanao and Rizal were the most important provinces where offshore-inshore fishing was carried on. At the same time, more than 93 percent of all fish caught by inland fishing establishments were reported from Batangas, Bulacan, Laguna, and Rizal. In the production of fish from fish ponds, Bulacan, Pampanga, and Iloilo were the leading provinces.

Manufactures

Lacking cheap power, technically trained workers, and large internal markets, as late as 1939 it appeared very difficult to establish in the Philippines reasonably efficient units of production. Manufacturing enterprises were relatively unimportant and were confined largely to production for local needs. Profits from mining were formerly put back into the mining industry, while other surplus investment capital went mainly into the processing of raw materials for export, rather than to more uncertain manufacturing ventures.

Among the different kinds of manufacturing in the islands were sugar centrals, distilleries, desiccated coconut factories, cigar and cigarette factories and rice mills. Manila was the center of manufacturing in the Philippines.

3. Unemployment

In the Philippines, the unemployment problem was neither so acute nor so extensive as it was in Europe and America. This was due to the lack of widespread industrialization, and to the traditional policy of the Filipino family, which included all individuals related by blood or marriage, taking care of its own relief problems. In the face of changing economic conditions, however, the feeling of family responsibility has been weakening in recent years.

To meet the unemployment situation, the Government appointed a committee in 1933. Studies by that committee culminated in the creation of the National Emergency Relief Board which, in 1939, was given supervision over the newly-created National Relief Administration.

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Although earlier provision had been made for the taking of an unemployment census, such data prior to 1940 consisted of estimates. During 1940, unemployment statistics became available through the establishment of the Social Security Division of the Philippine Commonwealth Government. As a result of tabulations made in 1940 of data collected for 1939, only 215,246 persons with a gainful occupation were listed as unemployed. More than three-fifths of that number, 129,335 to be exact, were usually engaged in agriculture. Among that unemployed group, 28,586 or 22.1 percent were farmers or farm owners. The remaining 100,749 unemployed agricultural workers represented, in most cases, farm laborers who usually worked for wages. Table 4 gives the distribution of the 215,246 individuals with a gainful occupation reported as unemployed in 1939.

Table 4 --Number of Unemployed Persons 10 Years Old and Over,
by General Occupation Groups: 1939

Group	Number
Total	215,246
Agriculture	129,335
Manufacturing and mechanical industries	36,755
Transportation and communication	13,885
Fishing	10,322
Trade	8,760
Domestic and personal service	8,342
Professional service	2,604
Mining and quarrying	2,123
Forestry and hunting	1,745
Clerical	851
Public service (not elsewhere classified)	524

In the years immediately preceding the outbreak of war with Japan, several factors complicated the unemployment situation. There was an uneven distribution of land and people. Also, the unemployed, as well as others, tended to migrate to the cities and especially to Manila. Such migration, combined with the increasing desire among young persons for higher education and white-collar jobs, contributed to the overcrowding of urban industry.

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Regarding the migrating unemployed, the Philippine Government tried unsuccessfully to convince them that they should remain in their own home districts and that emergency government construction work would be distributed to each district to take care of its unemployed.

4. Trend of Employment

There is a complete absence of data showing the trend or the general level of employment over a period of years.

5. Foreign Influence upon Philippine Labor Economy

Numerically, in proportion to the total of the gainfully employed, the non-Filipino worker was relatively unimportant. As table 5 indicates, in 1939, non-Filipino gainful workers 10 years of age or above amounted to 111,579. Of that number 46,935 or 42.1 percent were engaged in trade, and 28,441 (25.5 percent) were in domestic and personal service.

Table 5 -- Non-Filipino Gainful Workers 10 Years Old and Over,
by General Occupation Groups, 1939

Occupation Group	Number
Total	111,579
Agriculture	8,610
Domestic and personal service	28,441
Professional service	4,885
Public service (not elsewhere classified)	417
Fishing	1,642
Forestry and hunting	90
Mining and quarrying	523
Manufacturing and mechanical industries	14,350
Transportation and communication	2,288
Clerical	3,398
Trade	46,935

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In the Philippines, the presence of the foreigner was in evidence in other roles than that of laborers. Thus, Americans were interested in commercial activities, namely in import-export, finance and mining. Spaniards concerned themselves with the tobacco, sugar and rope-making industries, and with inter-island shipping. The British and French concentrated upon import and export firms and banks, while Germans and Italians entered the field of domestic trade.

The Japanese had various economic stakes in the Islands. Those interests included retail trade, building construction, miscellaneous commercial undertakings, various manufacturing plants and more than 300 retail stores. Prior to the war, more of the foreign-trade tonnage moved under the Japanese flag than that of any other nation. That nationality also controlled 80 percent of the deep-sea fishing activities.

Before the outbreak of war, the largest Japanese enterprises were the Manila hemp plantations in Davao, on the southern coast of Mindanao. By 1941 those plantations processed most of the high-grade hemp exported from the Islands.

Philippine law prohibited the purchase or leasing of public lands, and to a great extent of even private agricultural lands, by foreigners. The Japanese, however, according to authoritative sources, were said to have made an arrangement with certain natives to use their names as dummies in purchases of land. Also, according to reliable authority, certain Filipino officials and attorneys connived, although, as with the similar practice in the fishing industry, it was said to be of public knowledge.

In some cases, prominent Filipino attorneys were said to be engaged as dummy heads of corporations by the Japanese. The Philippine Government made some attempt after 1937, to cancel those illegal leases, but without result. As a result of the cooperation between the Japanese and Filipinos, the Japanese in Davao built their own roads, bought through their own stores, and made the area a Japanese community.

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6. Internal Migration

In 1927, it was estimated that the Philippines had a floating agricultural population of 600,000 laborers. The chief factor in that labor situation was that the country was essentially agricultural, with each region raising one particular kind of seasonal crop, such as sugar, tobacco, coconut, abacá, or rice. Also, the disproportionate distribution of population gave rise to the necessity for labor to mobilize where it was needed. Unequal inducements to labor in different places were likewise factors in labor migration.

The major places of origin and destination of seasonal labor supply may be summarized as follows:

1. Ilocos provinces to the tobacco region, composing the Provinces of Cagayan and Isabela.
2. Ilocos provinces and La Union to the rice region in Central Luzon, and the sugar haciendas in Pampanga and Laguna.
3. Iloilo, Antique, and Cebu to the sugar district, Occidental Negros.
4. Cebu, Bohol, and the subprovince of Siquijor to the coconut and abacá plantations in Mindanao.
5. Capiz, Batangas and Pampanga to the sugar plantations of Mindoro.

The densely populated Provinces of Ilocos Norte, Ilocos Sur, and Cebu, furnished the highest percentage of labor moving to other places not only for temporary but also for permanent employment.

From 1913 to the outbreak of the war, the Government made serious efforts to direct internal migration. The State endeavored to direct homeseekers from the densely populated regions of Luzon and Cebu to locations on public lands in Mindanao and to a lesser extent to Mindoro. A second reason for encouraging that population shift was to augment the production of food crops. The results of this activity are represented in table 6

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Table 6 --Interisland Migration, 1929-1939

Year	Number
1929	2,674
1930	2,488
1931	1,479
1932	2,268
1933	2,102
1934	1,560
1935	1,757
1936	1,414
1937	4,688
1938	3,489
1939 (Jan.-June)	3,956

In 1939 the recruitment and the transportation of homeseekers to Mindanao were transferred from the Philippine Department of Labor to the newly-created National Land Settlement Administration. That agency made a 239,687-acre tract in the province of Cotabato available to Philippine settlers. From February 1939 to the middle of February 1941, 11,333 persons had located there.

Tables 7 and 8 give the population movement to and from the Philippine Islands as a whole for the 5-year period 1934-1938 inclusive. It will be noticed that although immigration exceeded emigration in each of the 5 years, that disparity was quite apparent for the 3 years beginning in 1936. In the tables, the terms "Non-Immigrants" and "Non-Emigrants" refer to visitors, Philippine nationals, students, foreigners having permanent residence status in the Philippines and persons who are citizens of the United States or of its insular dependencies.

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Table 7 --Philippine Immigration, 1934-1938

Year	Immigrants		Non-Immigrants	
	Male	Female	Male	Female
1934	5,840	1,541	10,820	1,391
1935	4,379	1,667	11,936	1,745
1936	6,458	1,987	14,516	2,688
1937	7,232	3,388	16,371	3,045
1938	6,161	3,390	11,060	2,387

Table 8 --Philippine Emigration, 1934-1938

Year	Emigrants		Non-Emigrants	
	Male	Female	Male	Female
1934	1,526	640	12,517	1,550
1935	1,549	612	13,321	1,804
1936	1,275	587	14,152	2,154
1937	3,166	789	9,839	2,071
1938	2,170	669	7,838	1,636

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7. Migration to and from Hawaii

Lacking workers for their sugar industry, Hawaiian sugar planters, before World War I, began to recruit workers in the Philippines. That activity was regularized in 1915 by Philippine laws governing the practice and through the work of the Hawaiian Sugar Planters' Association. This organization, a federation of all the more important concerns, worked out a system of individual agreements with Filipino workers under which the terms of their employment were definitely provided for in advance.

The Association maintained its own recruitment offices mainly in the densely populated provinces of Ilocos Norte, Ilocos Sur, Abra and La Union and in Cebu. The first 3 provinces furnished good field workers, while the Visayans from Cebu made good stevedores and indoor workers. Prospective workers, in general, young, single men, were given a thorough physical examination, and if successful, were signed to a 3-year contract. Successful applicants were provided free transportation to Hawaii and return, living quarters, light, heat and clothing, and a minimum wage of 1 dollar per day.

This recruiting activity ceased in 1932. After that year the association maintained offices in the Philippines to make certain that remittances from Hawaii got to the Filipino dependents of the worker, and to see to it that life insurance was paid to the heirs of a deceased laborer.

Although recruiting ceased in 1932, there was a constant and sizeable movement of Filipinos to and from Hawaii. This movement was caused by the furlough system which permitted a good worker, who had a family in the Philippines, to go home for a visit.

The extent of Filipino migration to and from Hawaii can be determined in part from the following table.

Table 9 .--Filipino Emigrants to and from Hawaii, 1928-1932

Year	To Hawaii				From Hawaii			
	Men	Women	Children	Total	Men	Women	Children	Total
Total	28,580	863	1,044	30,487	20,030	1,545	2,965	24,560
1928	9,026	153	143	9,322	3,968	379	492	4,839
1929	8,189	134	46	8,369	3,402	241	348	3,991
1930	7,185	253	377	7,815	2,897	192	324	3,413
1931	4,083	265	420	4,768	3,552	217	393	4,162
1932	97	58	58	213	6,211	516	1,428	8,155

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8. Child Labor

Pre-war child labor regulations, very limited in their character, stemmed from an act of 1923. That measure prohibited the employment of children under 14 where explosives were used or manufactured. Seats were to be provided for minors when they were not working, and the period for the noon meal was to be 60 minutes. Children under 16 were not to work more than 7 hours per day or 42 hours a week. No person less than 14 was to be employed unless he could read or write. And no individual under 16 was to operate elevators or work in billiard rooms, cock pits, dance halls, stadia, race courses, or as bailarinas, boxers or jockeys.

Annual reports of the Inspection Service showed widespread violation of child labor regulations. And the census of 1939 listed 100 children less than 10 years of age employed as dancers.

Although statistics are not available for persons under 16, some indication of the extent of child labor can be gained from data in the 1939 census. The census showed that 512,680 children between the ages of 10 and 14 were gainfully employed. Table 10 gives the occupational dispersion of workers 10 to 14 years of age. More than half of those workers, 285,865, were employed in agriculture while 177,577, or 32.7 percent were in domestic and personal service occupations. Although not given in table 11, of the 177,577 minors engaged in domestic and personal service, 160,032 were girls, and 127,818 were listed as housekeepers or housewives.

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Table 10.--Philippine Workers 10 to 14 Years of Age, by
General Occupation Group and by Sex, 1939

General Occupation Group	Total	Male	Female
All gainful occupations	512,680	242,665	270,015
Agriculture	285,865	205,804	80,061
Domestic and personal service	177,577	17,545	160,032
Professional service	549	460	89
Public service (not elsewhere classified)	9	9	--
Fishing	7,860	7,247	613
Forestry and hunting	1,868	1,474	394
Mining and quarrying	167	146	21
Manufacturing and mechanical industries	30,893	5,476	25,417
Transportation and communication	967	964	3
Clerical	57	41	16
Trade	6,868	3,499	3,369

9. Women Workers

Limited protection of women workers was provided by a statute of 1923. Establishments employing women were required to provide seats for their use when they were not working. No female under 18 was to be employed at a bar, and no woman could work where the nature of the undertaking required uninterrupted standing. In addition, pregnant women were to receive 30 days vacation with pay before and another 30 days after confinement.

From the viewpoint of number employed, as already noted, women workers, in 1939, totaled 4,247,215 or 50.2 percent of all gainful workers. Nearly four-fifths of that number were engaged in the personal and domestic service occupation group. Also there were more females than males in such occupations as acting and dancing, religious work, pharmacy, owning, operating, and working in native textile manufacturing, owning bamboo manufacturing, and in retailing cigars and cigarettes.

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B. EMPLOYMENT AGENCIES

Public employment agencies were authorized by an act of 1917. The law empowered the Bureau of Labor to organize in such towns as it considered necessary or advisable, 1 or more free employment agencies. A fee in an amount to be fixed by the Director of Labor, with the approval of his superior, was to be collected by the Director from employers for services performed in securing workers. By 1938, the employment service functions had been assigned to offices of Public Defenders who were representatives of the Philippine Department of Labor. In 1938, those officials were located in the following 35 towns and cities in addition to Manila:

Aparri	Capiz	Ilagan	Naga
Bacolod	Catbalogan	Iloilo	Paracale
Baguio	Cavite	J. Pafiganiban	San Fernando
Balanga	Cebu	Laoag	San Jose
Batangas	Cotabato	Legaspi	Santa Cruz
Cabanatuan	Dansalan	Lingayen	Suriago
Cagayan	Davao	Lucena	Tacloban
Calapan	Dumaguete	Malolos	Tarlac
	Iba	Masbate	Zamboanga

The public employment agencies, from 1934 to 1939 inclusive, received 31,579 applications for employment, and placed 12,505. Table 11 shows the registrations and placement by these agencies from 1934 to 1940.

Table 11 --Registrations and Placements by Public Employment Agencies, 1934-1939

Year	Registration	Placement
Total	31,579	12,505
1934	2,490	1,227
1935	2,820	1,635
1936	2,055	1,491
1937	3,129	1,107
1938	5,007	1,632
1939	16,078	5,413

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Concerning the wages of those placed, data are available only for 1938. Wages received by laborers who were placed ranged from 6 pesos (\$3.00) to 45 pesos (\$22.50) per month; domestic help from 4 pesos (\$2.00) to 30 pesos (\$15.00) a month; and those placed in clerical jobs, from 15 pesos (\$7.50) to 150 pesos (\$75.00) per month.

Private employment agencies were not regulated by the State until 1932. An act in that year provided for the Director of Labor to have supervision of them. The measure also prohibited the establishment of such agencies except under license from the Director of Labor. Fees from applicants were limited to 20 percent of the first year's wages. The agencies were made subject to inspection by the Director of Labor.

Data regarding the work of these private agencies are fragmentary. In 1938, 6 of the 8 private employment agencies in the city of Manila reported the registration of 3,666 applications, and the placement of 3,763. Of those registered 2,200, and of those placed 2,317 respectively were housemaids.

The inspection service in 1939 and 1940 reported that in the placement of young girls, the private agencies were engaging in reprehensible practices, and as a result the licenses of some of those agencies were revoked.

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C. WAGES, HOURS, AND WORKING CONDITIONS

1. Methods of Wage Fixing

Prior to the invasion by Japan, Filipino labor was comparatively unacquainted with a money economy, overwhelmingly rural and largely unorganized, and the methods of wage fixing reflected that condition. For those rural, unorganized laborers, wages generally were fixed by customary contracts or by the Pakia system.

The customary contract was a series of implied covenants which were inferred from (a) limited verbal agreements; and (b) relations of one party to another as had existed either in the community or on the estate for generations. Generally, the landlord bargained annually with the worker, not closing the current year's contract, however, until the laborer had become obligated to the landlord for such items as shelter and subsistence in that current year.

The Pakia system was, in brief, a form of contract labor. The employer or landlord made an agreement with an individual whereby the former promised to furnish the latter land, shelter, subsistence and materials. In return, the individual agreed to get all the labor the employer needed.

By 1926, the Philippine labor unions had been able, in a general way, to establish the principle of collective bargaining in those industries and occupations in which the workers were organized. However, it must be remembered that such employees constituted but a small percent of the working population.

In 1932, the State took a direct hand in matters dealing with wages. The employer was not to compel the employee to purchase commodities from the employer. Nor was the employee to be paid any part of wages by other than legal tender currency of the Philippine Islands. In addition, the employer was to pay his workers on the fifteenth or last day of every month, or every Saturday. The principle of bi-monthly payments was reaffirmed by a law of 1938, which further stated that no employee was to be compelled to purchase his commodities from his employer's store.

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Additional State control over wages occurred in 1936. In that year the Court of Industrial Relations was created, and was given the power to conduct any investigation of any industry to determine the necessity and justice of fixing a minimum wage or a maximum rental. Another law of that year fixed a minimum daily wage of 1 peso for all laborers in any public works. However, a province or municipality was allowed to pay lower wages if its financial condition so required. In 1938, this measure was amended to make 1 peso the minimum daily wage for all places except the city of Manila, where the minimum was fixed at 1 peso and 25 centavos.

2. General Level of Wages

Under peacetime conditions, the Philippine peso, the principal monetary unit, was generally considered to be equivalent to 50 cents in United States money. The peso, in turn, was equal to 100 centavos whose equivalency in United States coin, therefore, was 0.5 cents.

Concerning the general level of wages, latest available data are for 1939. In that year, the average daily wage for all gainful occupations was 0.61 peso (i.e., roughly 30 cents in United States currency) and the average monthly salary stood at 29 pesos (roughly \$14.50 in United States currency).

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3. Trend of Wages and Prices

The only pertinent data relating to wage and price trends cover the years from 1936 to 1940, and are concerned with wages of unskilled workers in public works in the different provinces and with retail prices in Manila. Assuming that the price trends in Manila are fairly representative of the country as a whole, these two series of figures indicate that between 1936 and 1940 a price increase of about 10 percent was more than balanced by wage increases. Details by years are shown in the following table:

Table 12 --Average Wages of Unskilled Labor in Public Works in Provinces and Index of Retail Prices in Manila, 1936-1940

Year	Average Wages (In pesos)	Index of Retail Prices in Manila (September of each year) (1935 = 100)
1936	0.75	103.7
1937	.93	103.0
1938	1.00	107.4
1939	.99	113.8
1940	.94	114.8

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4. Deductions from Wages

In general, there were no regular deductions from wages.

5. Wages and Salaries in Industry, 1939

Average daily wages, in 1939, ranged from 44 centavos in agriculture to 1.44 pesos in the public service occupation group. In that year, persons engaged in domestic and personal service received an average monthly salary of 9 pesos, while individuals in the professional service group averaged 74 pesos per month. Table 13 shows the average daily wage and the average monthly salary of persons reporting from the various occupation groups.

Table 13--Average Daily Wage and Average Monthly Salary
of Persons Reporting, by Industry, 1939 ^{1/}

Industry	Average Daily Wage (in pesos)	Average Monthly Salary (in pesos)
All industries	0.61	29
Agriculture	0.44	14
Domestic and personal service	0.53	9
Professional service	--	74
Public service (not elsewhere classified)	1.44	50
Fishing	0.57	16
Forestry and hunting	0.75	24
Mining and quarrying	1.22	56
Manufacturing and mechanical industries	0.80	30
Transportation and communication	1.03	36
Clerical	1.38	58
Trade	0.66	37

^{1/} Source: Census of the Philippines, 1939. Volume III.

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According to the Philippine census of 1939, 1,142,737 persons 10 years of age and over reported their daily wage. In that number, only 65 received 7 pesos or more per day. The greatest number, 214,982 had a daily wage of from 50 to 59 centavos. Wage earners receiving less than 1 peso a day constituted 83.4 percent of those reporting. Statistics covering the subject of daily wages reported in 1939 are given in table 14.

Table 14 --Persons 10 Years Old and Over Reporting Daily Wage Received, Wage Groups: 1939 1/

Wage Group	<u>All Occupations</u>	
	<u>Total</u>	<u>Percent of total</u>
Total	1,142,737	100.00
Under 10 centavos	14,226	1.25
10 to 19 "	68,179	5.97
20 to 29 "	184,718	16.16
30 to 39 "	159,615	13.97
40 to 49 "	125,630	10.99
50 to 59 "	214,982	18.81
60 to 69 "	64,400	5.64
70 to 79 "	41,296	3.61
80 to 89 "	66,464	5.82
90 to 99 "	13,149	1.15
1.00 to 1.19 pesos	106,547	9.32
1.20 to 1.39 "	31,614	2.77
1.40 to 1.59 "	24,105	2.11
1.60 to 1.99 "	9,293	0.81
2.00 to 2.49 "	10,906	0.95
2.50 to 2.99 "	2,967	0.26
3.00 to 3.99 "	3,091	0.27
4.00 to 4.99	916	0.08
5.00 to 6.99	574	0.05
7 pesos and over	65	0.01

1/ Source: Yearbook of Philippine Statistics: 1940.

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Salaried employees to the number of 824,115 reported their earnings in 1939. While 303,952 or 36.9 percent had a monthly salary of less than 10 pesos, 889 or .11 percent received 700 pesos, or more. Table 15 shows the number of persons in different salary groups in 1939.

Table 15 -Persons 10 Years Old and Over Reporting Monthly Salary Received, by Salary Groups: 1939 1/

Salary group	All occupations	
	Total	Percent of total
Total	824,115	100.00
Under 10 pesos	303,952	36.88
10 to 19 pesos	158,441	19.23
20 to 29 "	96,416	11.70
30 to 39 "	94,273	11.44
40 to 49 "	59,364	7.20
50 to 59 "	34,538	4.19
60 to 69 "	20,863	2.53
70 to 79 "	10,698	1.30
80 to 89 "	9,606	1.09
90 to 99 "	4,524	0.55
100 to 119 "	10,330	1.25
120 to 139 "	5,095	0.62
140 to 159 "	4,635	0.56
160 to 199 "	2,260	0.27
200 to 249 "	3,086	0.38
250 to 299 "	1,403	0.17
300 to 399 "	2,123	0.26
400 to 499 "	1,048	0.13
500 to 699 "	1,171	0.14
700 pesos and over	889	0.11

1/ Source: Yearbook of Philippine Statistics: 1940.

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Attempts of the Commonwealth Government to establish a minimum wage for laborers were not wholly successful. After an Executive Order of 1937 fixed the minimum daily wage of provincial workers at 1 peso, about 242 towns out of 741 that reported in that year strictly complied with the order. In fact, workers in some towns were paid as little as 30 centavos a day. In Manila, in 1938, 10,705 out of a total of 25,208 common laborers working in 550 private firms were paid a daily wage of less than 1 peso. At that same time, the Government stated that about 42 percent of the labor population of Manila were paid less than what the State considered a "living wage."

Regarding the wages of women in 1938, the Philippine Secretary of Labor reported that in and around Manila, the bulk of women workers were relatively underpaid. Female shirt buttoners, wrappers of candies and tobacco strippers earned from 1 peso (50 cents) to 2 pesos (\$1) a week only. In a textile factory in Manila, in which 209 women were employed, spinners were paid 24 centavos (12 cents) a day for 8 hours' work. The Secretary stated that the miserable condition of women piece-workers in some factories was aggravated by the fact that at times no work was available for them for a number of days during the week.

6. Wages and Labor Conditions in Individual Industries

Below are presented available data relating to wages, hours, and working conditions of Philippine labor in various industries. This information concerns the period just preceding the invasion by Japan.

Agriculture

According to reliable authority, as late as 1940, the great majority of the Filipinos lived under an agricultural system that was based upon feudal and customary practices. Through the customary contracts already mentioned millions of peasants were said to have been bound to the soil in a state little better than serfdom.

In 1939, the average daily wage in agriculture was 44 centavos, while the average monthly salary was 14 pesos. Male farm managers received the highest average daily wage (1.15 pesos) and also the highest average monthly salary (43 pesos), while the lowest average daily wage (32 centavos) was paid to women farm laborers. The lowest average monthly salary (9 pesos) also went to women. |

Average monthly salaries and daily wages in agriculture in 1939, are given in table 16.

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Table 16. Monthly Salaries and Daily Wages in Agriculture, by Occupation, Sex, and Method of Receiving Salary, 1939 1/

	Average monthly salary (pesos)	Average daily wage (pesos)
All agriculture	14	0.44
Farm managers	36	1.06
Male	36	1.07
Money and in kind	30	0.91
Money only	43	1.15
Female	23	0.84
Money and in kind	19	0.76
Money only	27	0.94
Farm laborers	12	0.44
Male	13	0.47
Money and in kind	11	0.42
Money only	14	0.51
Female	9	0.32
Money and in kind	10	0.29
Money only	9	0.36

1/ Census of the Philippines, 1939, Vol. III.

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Low wages and the seasonal nature of agriculture caused many farm workers to augment their incomes by engaging in an additional occupation. In 1939, the average income received from the additional occupation, for persons reporting, was 21 pesos per year.

Bus Transportation

Reports from 50 bus transportation companies which operated in the provinces in 1939 gave 8,580 as the number of persons employed. The average daily wage for that group was 1.42 pesos, with 2,107 employees or 24.6 percent receiving daily wages of less than 1 peso, and 1,809 earning 1.60 pesos and above. Of the 76 women workers, whose average daily wage was 0.71 pesos, 56 were conductors.

Wages were based upon occupations, and were graduated according to the skill, efficiency, and length of service of each employee.

Medical treatment was provided free by more than 40 companies, while 8 furnished drivers and conductors with subsistence and lodging allowances when those employees were on special trips outside of their regular run. Likewise, 19 bestowed gifts and other forms of material help upon their workers as rewards for efficient service.

Canning Industry.

The canning industry referred generally to the canning of fish in the provinces. Daily wages in 1937. ranged from 50 centavos for student fishermen to 2.58 pesos for masters of fishing vessels. In a total of 2,276 employees, 1,571 or 69 percent were reported as receiving less than 1 peso per day, while the average daily wage for the entire group was 91 centavos.

These workers to the number of 2,111 out of a total of 2,276 reported that they worked an 8-hour day. The remaining 165 were said to have a 9-hour work day.

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Cigar and Cigarette Manufacturing Industry

Wages in cigar and cigarette factories were generally paid by the piece-rate basis. However, carpenters, foremen, machinists, mechanics, blacksmiths, lathemen, electricians, painters, plumbers, porters, printers, timekeepers, warehousemen and watchmen, were paid by the time or hourly basis.

A survey of 13 leading cigar and cigarette factories in Manila, in 1939, showed that the average daily earnings for male workers was 1.10 pesos and 81 centavos for women employees. Among the males, foremen had the highest average daily wage (3.23 pesos) and strippers had the lowest (40 centavos). Of the women, the foremen received the most (1.58 pesos) and ring fixers received the least (51 centavos).

Cordage Industry

A total of 768 laborers, 689 of whom were males and 79 females, were employed in the cordage industry in 1939. For the men, the daily wage rates varied from a minimum of 93 centavos to a maximum of 6.67 pesos or an average of 1.71 pesos, and for the females, from a minimum of 80 centavos to a maximum of 1.35 pesos or an average of 1.04 pesos a day. Of the total number of laborers, 643 were paid on the time basis, while the remaining 125 workers were paid on the piece-rate basis.

Classified by wage groups, 58 or 7.6 percent received less than 1 peso a day, and 549 or 71.5 percent from 1 to 2 pesos, and 161 or 20.9 percent, 2 pesos or more. The average wage rate for all those groups was 1.65 pesos a day.

The cordage companies prescribed 8 hours of daily labor, and paid their laborers either weekly or fortnightly. Under the Workmen's Compensation Law, these companies defrayed the medical expenses of their laborers injured in the course of employment. One of the companies gave a Christmas bonus ranging from 2 to 5 pesos, and another concern increased its wage rates by 10 percent.

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Desiccated Coconut Industry

Reports from 5 desiccated coconut establishments in the provinces, in 1939, showed 1,487 laborers employed therein. The workers were classified into piece and time workers, of whom 564 or 37.9 percent corresponded to the former and 923 or 62.1 percent to the latter.

Daily wages of time workers ranged from 54 centavos for unskilled to 3.13 pesos for the highly skilled, or an average of 97 centavos. Piece workers, whose earnings varied from time to time, usually earned from 90 centavos to 1.30 pesos for a workday of 8 hours during the brisk period. In slack seasons, however, they averaged only from 40 to 80 pesos a day, and at times they were laid off for lack of materials.

While the average daily wages for both sexes was 0.97 peso, men average 1 peso and women 0.80 peso. At the same time male laborers received higher average rates than the female workers belonging to the same occupation. Any comparison in average daily wages between male and female workers for the same degree of skill and occupation, must be viewed with certain reservations for there might have been actually considerable variation in the duties performed. This was especially true with regard to the lifting of heavy burdens. Thus, men laborers in a given occupation were expected to perform this task in addition to their regular duties, while in the case of women, special men were often assigned or employed to perform the heavy work.

Aside from the wages paid to laborers, free medical treatment was given by all the reporting companies. Gifts and other forms of material aid were given by 3 establishments to their laborers rendering satisfactory services, and 2 companies furnished free, or at nominal rent, houses to their employees.

Embroidery Industry

Embroidery in the Philippines was essentially a household industry. While it was true that there were so-called embroidery establishments located in Manila, they served merely as distributing centers for the goods to be processed. The imported raw materials were cut and stamped in these establishments and then distributed to embroidery workers in nearby provinces through contractors and sub-contractors. Practically all work was done at the homes of the workers who were paid by the piece, and for this reason, these workers did not come within the operation of the 8-Hour Law.

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From 30,000 to 50,000 household workers were engaged in this business on a part-time basis. The number of workers varied with the quantity of orders on hand. Wages paid were very low in spite of the high grade of workmanship required. The Government reported that this was to be expected as the contractors and subcontractors had to share in the labor cost which should have gone in full to the laborers. The wages of the household workers were based on the degree of workmanship required and the amount of work accomplished, measured by the piece.

In a study made by the Government of the wages of workers regularly employed in the embroidery factories, it appeared that the average daily wage was 1.07 pesos, in 1939. The study covered 2,810 wage earners belonging to both sexes employed in 15 reporting establishments which practically controlled the embroidery business in the Philippines.

Of the total number of laborers employed, 1,142 or 40.6 percent earned less than 1 peso a day, and only 55 or 1.96 percent received as much as 2.40 pesos or more per day. Among the highest paid male workers included in that study, were supervisors, foremen, mechanics, and designers; while receivers, slopers, filers, and office boys received the least pay. The highest paid workers of the female group were the overseers; designers, supervisors and forewomen; while the cleaners, matchers, receivers, and revisers received the least pay.

Laborers were paid on the time (daily or monthly) or piece basis. Of the establishments, 10 practised the piece-rate schedule, while 5 paid their laborers on the daily and monthly basis. Laborers received their wages either weekly, fortnightly, or monthly.

The number of working days in a week varied from 5½ to 6 days. The regular number of working hours daily was 8. There were some establishments which prescribed less than 8 working hours on Saturdays.

Aside from the wages paid to laborers, free medical treatment was given by 13 of the reporting establishments. Gifts and other forms of material aid were given by 11 establishments to their employees who rendered satisfactory services.

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Lumber Mills and Logging

In 1937, of 10,685 persons employed in lumber mills and logging, 6,883, or 64.4 percent were paid less than 1 peso a day, while 320 or 3 percent received 2.40 pesos or more. Highest daily wages (4.93 pesos) went to the technician sawyers, and at the other end of the scale were the mill boys who averaged 49 centavos a day.

Hours of labor varied from 8 to 10 per day, with 3,203 or 30 percent working 8 hours, 3,595 (33.6 percent) employed 9 hours, and 3,887 (36.4 percent) averaging 10 hours daily.

Mining Industry

In 1939, 42 mining companies, including almost all the big and producing companies, submitted information regarding wages and hours. Of the 28,580 laborers covered by that information, only 3,159 or 11 percent, were paid less than 1 peso a day, and the average daily wage for all workers was 1.39 pesos. While the average wage for all occupations was 1.39 pesos the highest pay (4.39 pesos) went to mechanics, while sorters received the lowest daily wage (64 centavos).

Hours of labor were uniform--8 hours a day--in view of the provisions of the 8-hour Labor Law.

Various undertakings provided additional incentives for the workers. Gifts, bonuses, and other presents in the form of cash and merchandise were given in some 18 of the 42 companies. In 32 companies, free medicine was provided for laborers, while in 10, dispensaries and hospitals were maintained and made available to the workers.

Public Works

Daily wages of unskilled labor employed in public works averaged 93.5 centavos with a minimum of 79 centavos and a maximum of 1.08 pesos. Wages also varied from province to province, thus, a minimum average daily wage of 40 centavos was paid in Marinduque and Romblon provinces, while a maximum of 2 pesos was received by the unskilled workers in Mountain Province.

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Regarding skilled workmen in public works, their average daily minimum wages showed a slight decline from 1939 to 1940. The minimum wage of both blacksmiths and carpenters decreased 5 centavos. Concerning maximum wages, carpenters and masons gained 6 and 13 centavos respectively, while pay of blacksmiths showed a loss of 2 centavos, and painters' wages decreased 11 centavos.

Rubber Shoe Industry

There were 6 companies actively engaged in the rubber shoe industry in 1939. They reported a total employment of 1,320 workers, of whom 664 were males and 656 were females.

Daily wage rates for laborers of both sexes averaged 0.96 peso, and ranged from 50 centavos to 1.94 pesos for males and from 30 centavos to 1.50 pesos for females. Based on monthly payrolls of the 6 companies, the average daily earning of each worker in the entire industry was 73 centavos. Of the total number of workers, 712 or 53.9 percent received less than 1 peso per day. Wage payment was generally by the week and was based upon either the time or piece-work systems.

All the establishments prescribed an 8-hour day for a 6-day week, with the exception of 1 company which worked 8 hours per day 3 days a week.

Payment in kind, in the form of Christmas gifts and cash bonuses to laborers were common practices in the industry. Employees were given free medical service for sickness or injury while in the employ of the companies. No form of contributions was required for such services.

Sugar Centrals

In 1937, replies to a Philippine Department of Labor questionnaire from 31 out of 46 sugar centrals contained wage and hour data pertaining to 9,180 employees.

While the average daily wage for that group was 1.13 pesos, 2,752 or 30 percent received less than 1 peso per day. Common laborers averaged 64 centavos daily. The highest daily wage (4.67 pesos) went to the encargados, men who were in direct charge of laborers. Time of payment varied, with 11 companies paying their workers by the week and 20, every fortnight.

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Hours of work ranged from 8 to 12 per day, with 3,073 persons, or 33.5 percent of the total force, working 8 hours daily. At the same time, 1,856 or 20.2 percent were employed 12 or more hours per day. The distribution of hours of work is given in the following table.

Table 17 -Distribution of Daily Hours of Work in 31 Sugar
Centrals, 1937 1/

Hours of Labor	Number of Workers	Percent
Total	9,180	100.00
6 hours and under	--	--
7 "	--	--
8 "	3,073	33.48
9 "	1,334	14.53
10 "	1,828	19.91
11 "	1,089	11.86
12 hours and over	1,856	20.22

1/ Labor Bulletin, Commonwealth of the Philippines, Department of Labor, Manila, September 1938.

Free medicines and medical treatment were furnished by 20 sugar centrals, while in 2 companies, the workers made contributions for the medical service. At the same time, 5 centrals maintained their own hospitals, and 3 sent their sick employees to public hospitals at the companies' expense.

Free housing facilities were provided by 15 centrals, while 14 gave bonuses to their workers.

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7. Hours of Labor and Overtime

An act of June 1939 made the 8-hour workday applicable to all industrial or occupational employees, except farm laborers, workers on the piece-work basis, domestic servants, and members of the family of the employer. The act provided for increased compensation of 25 percent of the regular rate for overtime and for work on Sundays and legal holidays.

Continuing, the measure stated that in the event of a national emergency, the Government was empowered to establish rules and regulations for the operation of plants and factories, and to determine the wages that laborers were to receive.

In line with that provision, a statute of September 1939, declared that because of the outbreak of war, the President of the Philippines was authorized to suspend, either wholly or in part, the 8-hour law. The President, however, did not make use of that authority thus vested in him.

With regard to holidays, the Philippine worker was entitled to the following: Thursday and Friday of Holy Week, Thanksgiving Day, Christmas, January 1, February 22, May 1, May 30, July 4, August 13, November 30, December 30, and the day designated by law for holding the general election.

8. Vacations with Pay

There was no regular practice concerning vacations with pay. Such vacations generally were not for the wage earner but for the salaried group. That situation resulted from the wage earner being employed usually in seasonal occupations, and, therefore, no regular vacations were considered necessary.

Among minor office help, there were so many informal vacations that, again, a regular vacation was not the rule. If the office helper was a good worker, the employer overlooked the informal leaves of absence.

The upper clerical group, however, generally had vacations ranging from 15 days to a month each year. Some of these employees received half-pay for the vacation period, but the majority drew their full pay. Contract employees from the United States generally had one month's vacation yearly and a visit to the United States for 3 months every 3 years. This procedure, however, varied greatly.

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D. LABOR LEGISLATION AND LABOR POLICIES

1. Administrative Agencies

By 1941, all labor matters were being handled by the Department of Labor. This agency consisted of the following: Office of the Secretary, Administrative, Labor Inspection, Safety Inspection, Public Defenders, Claims, Labor Statistics, Social Improvement, Workmen's Compensation, and Medical Inspection Divisions or Services. In addition, there were Sections entitled Labor Organization, Woman and Child, Civil, Wage, Claims, and Strikes and Lockouts.

Working in conjunction with the Department of Labor was the Court of Industrial Relations. The activities of this Court are noted in the section dealing with Industrial Relations.

2. Labor Laws and Regulations

There have been 3 periods in the evolution of Philippine labor laws and regulations. In the first (1907 to 1916), laws looked toward registering workers, regulating recruitment of labor destined for Hawaii, and prescribing the methods of payment of workers. The second period (1916 to 1935), particularly after 1932, saw the initiation of regulations dealing with wage payments, employment agencies, relations between landlord and tenant, and with hours of labor in certain occupations. At the same time provision was made for State officials to handle labor disputes, and regulation of labor matters was allocated to the newly-created Department of Labor.

In the third period (subsequent to 1935), the Government moved to effect the more equitable distribution of the land, to provide minimum salary and maximum rental scales, to inaugurate safety regulations for hazardous occupations, to encourage population shifts, and to recognize and regulate legitimate labor organizations.

This legislation is treated in the particular sections of this report to which the regulations especially pertain.

3. Effects of Labor Legislation

Although recent labor legislation (prior to Japanese occupation) had laid the foundations for improving the condition of the worker, in 1937, the President of the Philippine Commonwealth thought actual progress had been far from satisfactory.

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The President observed that the poor rural worker still had to drink polluted water similar to that which his ancestors had drunk for ages. Malaria, dysentery, and tuberculosis still threatened him and his family. His children could not all go to school, or if they did, they were unable for one reason or another to finish the whole primary instruction. Also, according to the President, the worker was the easy prey of the usurer because usury was still rampant everywhere despite legislative enactments intended to suppress it.

E. LABOR ORGANIZATIONS

Labor unions in the Philippines were patterned on similar organizations in the United States, with higher wages and better working conditions the objectives. Each union had its own constitution, and collected dues from members, however, the payment of dues was largely voluntary in the absence of any check-off system. In 1937 and 1938, the trend was toward the C.I.O. type or single union for all industries and away from craft unions in each industry. In addition, many labor organizations in the Philippines had a political tinge. As a general rule, the unions were rather loosely organized and there was no strong central organization among them.

In 1938, it was reported that 4 organizations dominated labor, namely: The Philippine Labor Federation; the Federacion Obrera de la Industria Tabaguera de Filipinas; the National Labor Union, Inc.; and the Philippine Labor Union.

Regarding the composition of these organizations, the Philippine Labor Federation drew its members from sugar centrals, while the Federacion de la Industria Tabaguera de Filipinas was supported by the tobacco industry. The National Labor Union, Inc. included cordage workers, transportation, communication, iron works, lumber, embroidery and general merchandise labor. The Philippine Labor Union operated among sugar centrals, and the mining, coconut, embroidery, transportation and cigar and cigarette industries.

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As of December 31, 1938, registered labor organizations consisted of the following:

Registered Labor Organizations	1938	
	Number of Branches	Total Membership
Total (80)	108	46,456
Confederated Workers' Alliance	1	207
Federacion Obrera de Filipinas KMP	9	5,626
Federacion Obrera de la Industria .		
Tabaquera de Filipinas	6	2,405
Kapisanan Ng Mga Manggagawa sa Manila		
Railroad Company	14	1,104
National Federation of Chauffeurs	1	320
National Labor Union, Inc.	44	8,490
National Workers' Brotherhood	5	843
Philippine Labor Union	28	8,265
Other independent unions (72)	--	19,196

By 1940, registered labor organizations numbered 391 with a total membership of 96,877. Union membership was greatest in sugar centrals and refineries (21,616), followed by mining with 15,106, and stevedoring (8,341). Table 18 gives the number of labor organizations and their membership by industries in 1938 and in 1940.

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Table 18 --Registered Labor Organizations and Membership, by Industries:
1938 and 1940.

Industry	1938		1940	
	Organizations	Member- ship	Organizations	Member- ship
All industries	188	46,456	391	96,877
Agriculture				
Farming	3	735	19	3,887
Forestry				
Lumber yards and sawmills	8	1,167	12	1,518
Fishing	--	--	--	--
Mining	6	5,926	25	15,106
Quarrying	--	--	2	144
Foodstuffs				
Bakery	--	--	--	--
Brewery	1	57	1	117
Confectioneries	1	111	1	111
Distilleries	--	--	--	--
Rice mills	1	154	2	291
Sugar centrals and refineries	25	9,123	42	21,616
Clothing, hat, leather and rubber goods				
Cotton mills	--	--	2	1,319
Embroideries	5	918	7	1,579
Shoes and slippers	4	612	7	1,252
Fats, vegetable oils and allied products				
Coconut and vegetable oils	10	2,950	11	3,021
Chemical, gas and pharmaceutical products				
Fuel gas	2	342	3	383
Constructions				
Building construction	1	153	3	301
Engineering and metal works				
Automobiles	4	548	11	1,178
Iron works and foundries	4	1,463	7	1,670
Sheet metal works	--	--	2	555
Shipyards and drydocks	--	--	2	114
Books, printing presses, etc.				
Printing presses	1	63	2	104
Newspaper	--	--	--	--
Other manufacturing industries				
Bed	--	--	1	17
Button and shellcraft	1	82	3	222
Ceramics	--	--	2	90
Cigar and cigarettes	10	4,218	10	2,702
Cordage	2	278	6	455
Fastener	--	--	1	110
Furniture	--	--	2	285
Hemp pressing	2	131	2	279

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Table 18 (cont'd.)

Industry	1938		1940	
	Organizations	Member- ship	Organizations	Member- ship
Other manufacturing industries (cont'd.)				
Glass	--	--	1	22
Match	1	63	1	436
Paper	--	--	1	72
Rattan products	2	285	--	--
Shirt	1	273	1	273
Tanning	--	--	--	--
Cement	--	--	1	390
Transportation and communication				
Land transportation	39	6,521	47	8,897
Steamship	3	750	6	1,253
Stevedoring	22	5,416	34	8,341
Telephone and telegraph	2	215	4	465
Commerce, finance and trade				
General merchants	5	376	11	1,744
Cooperatives	--	--	1	2,684
Mineral oil	5	586	6	659
Government projects				
Public works	--	--	3	471
Water works	--	--	--	--
Personal and domestic service				
Barber shop	--	--	--	--
Club	1	35	2	81
Hotel and restaurant	1	118	8	1,138
Laundries	2	353	--	--
Sign paintings	--	--	1	81
Other services	1	83	3	559
Amusement				
Racing	--	--	--	--
Golf	1	57	1	57
Miscellaneous	11	2,294	71	10,828

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1. Beneficial Activities of Unions

Beginning in 1937, and increasing during 1938, unions were said to have been instrumental in obtaining better wages and working conditions for many industrial and agricultural laborers. For example, of 33 cases brought before the Court of Industrial Relations, mainly through the efforts of labor unions, 26 were decided definitely in favor of labor and the remainder were settled by agreements upon the part of the disputants.

Two other types of benefits stemmed from the labor organizations. Effective campaigns were conducted in the education of the masses, both in the principles of democracy and with regard to collective bargaining. In addition, the unions were instrumental in causing the passage of 11 important labor laws. The laws covered such matters as industrial relations, free emergency medical treatment for certain classes of employees, and providing that preference in dispatching was to be given to cases which involved conflicts between labor and capital.

2. The Government and Labor Unions

Labor unions were put under the supervision of the Philippine Government in 1936. A law of that year required all such organizations to file application to register and operate, accompanying the filing of the application with a copy of the union's constitution and by-laws. The Secretary of Labor was to investigate the applying union and if the result of that investigation was satisfactory he was to issue a permit upon the payment of a registration fee of 5 pesos. That permit was for 2 years, and renewable for like periods upon payment of a renewal fee of 3 pesos.

Once a year the union was required to submit a list of its members and the minutes of its meetings. On the other hand, no employee was to be prevented from, nor dismissed for, joining any registered, legitimate labor organization.

All such unions were to have the right to collective bargaining with employers for the purpose of seeking better working and living conditions, fair wages, shorter working hours, and, in general, promoting the material, social and moral well-being of their members.

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F. INDUSTRIAL RELATIONS

1. Collective Agreements

Up to the time of the Japanese invasion collective bargaining had had at least a moderate development in those trades and establishments in which there were labor unions. However, as noted in the preceding section, labor organization was in existence among only a rather small portion of the gainful workers of the Islands.

The collective agreements that were made, did not necessarily apply to an entire union. They often were drawn up between an employer and a small group of workers in his plant, or between an employer and certain members of a union.

Although there is no record of the total number of collective agreements, the Philippine Department of Labor reported such agreements when they resulted from the settlement of industrial disputes in 1939 and 1940. From January to November 1939, 96 agreements, affecting 12,788 workers, were concluded. For the period of December 1939 to December 1940, 118 agreements, covering 6,937 employees, were ratified.

2. Conciliation and Arbitration

Early in the present century, the Philippine Government was empowered to summon parties to industrial disputes to appear for the purpose of bringing about a settlement. Later, in 1938, a law provided for mediation, conciliation, and arbitration between landlords and tenants as well as between employers and employees. When no settlement could be reached, special government mediators were to invoke mediation and conciliation procedures.

If those efforts were unsuccessful, arbitration was the next step, if the disputants were agreeable to the idea. In that event, a board was created which consisted of one of the special mediators as chairman, one representative of the landlords or employers, and one by the tenants or employees.

This board submitted its findings to the Court of First Instance for the province wherein the controversy arose. The Court, in turn, rendered its decision within 10 days after the finding of the mediation board was filed. Appeal could be made to the Philippine Supreme Court, which was to give preference to this type of case, whose decision was to be final.

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Additional State action in industrial disputes was provided by an act of 1936 which created the Court of Industrial Relations, whose judges were appointed by the President of the Philippine Commonwealth. To assist the Court in the performance of its duties, the President was authorized to appoint local boards of inquiry composed of the following members: not more than 6 each from lists prepared by employer and employees, and not more than 3 experts in sociology, welfare work, labor problems, or industrial and agricultural economics and administration.

To appear before the Court, it was necessary for cases to be certified to it by the Philippine Department of Labor or by the party or parties concerned.

Before the Court could hear a case, it had to be proved: that the dispute related to such points as wages, hours, or conditions of labor; that it was likely to cause a strike or lockout; and that more than 30 persons were involved.

Although endowed with mandatory powers, the court did not proceed to adjudicate matters referred to it for settlement until the last efforts to bring about an extrajudicial accord had been exerted and had failed. Once a case had been submitted for decision, however, the parties involved were bound to comply with all orders issued by the court, as the parties were either civilly or criminally liable.

While a case was pending, the employer was not to hire substitute workers without permission of the court, and in the event of a strike, no strike-breakers were to be brought in within 15 days after the beginning of the strike. On the other hand, if a strike had not occurred at the time the case was taken by the Court of Industrial Relations, the employees were not to resort to a strike or walk-out. If the men were out on strike, they were to return to work.

After the decision, either party had 10 days in which to make an appeal to the Supreme Court.

3. Industrial Disputes

From 1929 to 1940, 900 strikes, threatened strikes and lockouts were registered in the Philippines. The greatest number, 222, occurred in 1939, and involved 28,104 workers. Among the causes for disputes, wages stood first with 556. In the settling of those industrial differences, 543 adjustments were in favor of workers and 203 were in favor of employers. From 1929 to 1932 more adjustments favored employers, but in every year thereafter, the majority of the settlements favored the workers. These data are indicated in table 19.

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Table 19--Industrial Disputes Registered in the Philippines, 1929-1940 ^{1/}

Year	Total	Unionists	Non-Unionists	Number of establishments	Workers involved	Causes		Adjustment		Referred to court ^{3/}
						Wages	Other	In favor of Workers	Employers	
Total	900	686	214	1,216	132,722	556	344	543	203	154
1929	26	17	9	57	4,939	13	13	10	16	
1930	36	21	15	65	6,069	22	14	11	25	
1931	45	29	16	73	6,976	25	20	17	28	
1932	31	21	10	51	4,396	24	7	14	17	
1933	59	38	21	59	8,066	30	29	33	26	
1934	63	44	19	160	17,662	36	27	39	24	
1935	27	25	2	27	7,040	22	5	23	4	
1936	51	24	27	51	5,649	37	14	33	18	7
1937	57	30	27	57	4,667	40	17	38	12	57
1938	125	105	20	127	20,426	100	25	60	8	63
1939	222	193	29	291	28,104	147	75	150	9	27
1940	158	139	19	158	18,728	60	98	115	16	

^{1/} Source: Yearbook of Philippine Statistics, 1940.

^{2/} Includes strikes, threatened strikes, and lockouts.

^{3/} The Court of Industrial Relations was created in 1937 to decide cases referred to it by the Department of Labor after its efforts to settle disputes amicably proved unavailing.

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A breakdown of the causes for industrial disputes in 1939 and 1940, showed that disputes affecting the most workers (14,108) in 1939, arose over demands for an increase in wages. In 1940, disputes involving the greatest number of workmen (7,386) occurred in connection with demands for the reinstatement of discharged employees. The second most productive source of disputes from the point of view of employees involved (4,024) in 1940 dealt with request for union recognition, collective bargaining, and the closed shop. The numbers and causes of registered industrial disputes, together with the number of workers affected are given in table 20 for the years 1939 and 1940.

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Table 20 -Industrial Disputes Registered in the Philippines, by Causes:
1939-1940 1/

Cause	1939		1940	
	Disputes	Number of Workers	Disputes	Number of Workers
Total	222	28,104	158	18,728
I. Wages				
(a) For increase	111	14,108	42	2,720
(b) Against decrease	12	1,174	2	459
(c) For minimum	1	10	--	--
(d) Readjustment of rates	11	2,297	11	1,014
(e) Profit sharing or bonus	4	1,600	--	--
(f) Insurance for old age	2	1,330	--	--
(g) Vacation leave with pay	3	344	2	70
(h) Sick leave with pay	--	--	2	70
(i) Standardization of salaries	--	--	1	54
(j) Payment for overtime work	--	--	--	--
(k) Other wage questions	3	117	--	--
II. Hours of labor				
(a) For reduction of working hours	18	1,023	18	309
(b) Against increase of working hours	--	--	--	--
(c) Other questions				
III. Employment of particular classes of persons				
(a) For reinstatement of discharged employees	25	1,679	37	7,386
(b) Against employment of certain officials	2	1,212	2	85
(c) Union recognition, collective bargaining, and closed shop	14	2,316	13	4,024
(d) Other questions concerning employment	--	--	3	117
IV. Working conditions and discipline				
(a) For change	8	396	23	1,850
(b) Against change	1	42	--	--
(c) Ill treatment	2	51	--	--
(d) Other working conditions and discipline	3	225	--	--
V. Other causes	2	180	2	570

1/ Yearbook of Philippine Statistics, 1940.

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In the matter of 152 strikes, disputes involving stoppages of work, registered from 1937 to 1940, 58 lasted 1 day and less. During this period, the only dispute that caused a cessation of work for 1 month and over occurred in 1937.

The sharp decrease in the number of strikes from 222 in 1939 to 158 in 1940 may possibly be explained, in part, by a ruling of the Supreme Court of the Philippines in 1940. The court held that under the Philippine Constitution and under existing law, labor did not have the right to strike. The tribunal stated that the provisions of the Constitution on the compulsory arbitration of labor disputes were for the purpose of avoiding strikes, and that the act creating the Court of Industrial Relations was aimed to supply an "adequate instrumentality to forestall strikes."

4. Settlement of Wage Claims

One of the chief activities of the Bureau and later the Department of Labor was the settlement of wage claims. Annually from 1929 to 1940, those agencies settled from 919 (in 1932) to 6,441 (in 1939) such claims. Data relating to the settlement of wage claims from 1929 to 1940 are given in table 21.

Table 21--Wage Claims Settled Amicably by the Bureau and Department
Of Labor, 1929-1940 1/

Year	Number of claims	Adjustment in favor of claimants	Amount	
			Involved (pesos)	Collected (pesos)
1929	956	560	48,877	22,611
1930	1,125	575	77,120	18,967
1931	1,099	526	59,688	21,509
1932	919	368	48,827	14,858
1933	977	435	127,935	22,724
1934	2,191	413	163,753	12,347
1935	1,859	968	---	53,849
1936	2,133	789	---	37,485
1937	2,300	1,621	314,413	179,998
1938	3,863	2,821	393,547	197,716
1939	6,441	4,767	537,957	289,713
1940	5,178	3,790	409,804	224,061

1/ Source: Yearbook of Philippine Statistics, 1940.

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5. Adjustment of Tenancy Conflicts

Many tenancy conflicts were amicably settled by the Government. Thus, from 1937 to 1940, 3,874 cases, involving 11,436 tenants, were terminated successfully. In the following table, it is interesting to note that in line with the unorganized nature of agricultural workers, the tenancy conflicts affected only 1,137 unionists. In the matter of adjustments, findings were in favor of 2,980 tenants. Table 22 shows the tenancy conflicts settled amicably by the Department of Labor from 1937 to 1940.

Table 22--Tenancy Conflicts Settled Amicably by the Department of Labor:
1937-1940 1/

Year	<u>Number of cases</u>		Adjustment in favor of tenants	<u>Amount</u>	
	Total	Union affiliated		Involved (pesos)	Collected (pesos)
Total	3,874	1,137	2,980	377,357	301,007
1937	633	--	421	--	--
1938	764	28	592	72,218	46,332
1939	1,207	369	986	138,027	116,311
1940	1,270	740	981	167,111	138,364

1/ Yearbook of Philippine Statistics, 1940.

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G. COOPERATIVES

Cooperatives of the modern type have existed in the Philippines since early in this century and were introduced by Americans. The Philippine Government soon became interested and took the lead in promoting and encouraging such associations.

The principal types of associations now found in the Commonwealth are, in order of the date of their introduction, agricultural credit, farmers' marketing, consumers', industrial and credit unions. The Government has also encouraged the formation of private dealers' cooperatives.

1. Types of Cooperatives

Agricultural credit associations.--In 1916, the Bureau of Agriculture established agricultural credit cooperative associations for farmers to help them get out of debt to their landlords and to the Chinese who were the traders and who also controlled the transportation system. These organizations became inactive.

The task of rehabilitating the agricultural credit cooperative associations was given to the Bureau of Commerce in 1933. At the outbreak of the war, the revitalized associations numbered 570 and were in some 43 provinces, with a total membership of about 105,000 and a circulating capital of 3,300,000 pesos.

Cooperative marketing associations.--The cooperative marketing movement was started in 1923, by the Bureau of Commerce and Industry. The Bureau's efforts led to the enactment of the cooperative marketing law of 1927, which provided for the organization of cooperative marketing associations by 15 or more persons, the majority of whom were residents of the Philippines. One of the chief purposes of the law was to make the distribution of agricultural products between the producer and consumer as direct as could be done efficiently. The Bureau of Commerce and Industry was given the supervision over these associations.

Under the Bureau's leadership, 185 cooperative marketing associations were registered from 1928 to 1940.

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Apparently these associations were not so successful as had been anticipated. In 1940 the Director of Commerce and Industry attributed their lack of success mainly to the ignorance of the farmers, the lack of sufficiently trained personnel, and the activities of the middlemen. Additional obstacles were lack of credit and storage facilities. Although a law of 1936 authorized the Agricultural Cooperative Fund to make loans to cooperative marketing associations, the cooperatives could not meet the security requirements. The agricultural credit cooperative associations could not render much assistance because they were being reorganized, and, in addition, their funds were too small.

To meet the storage needs, by 1940 the Government had authorized the State-created National Development Company to establish as a subsidiary the National Warehousing Corporation. The corporation built and maintained government warehouses in places where it was believed there was a need for them.

Of these cooperative marketing associations, 33 submitted financial statements in 1940. The statements showed the total value of the volume of business was 5,929,887.36 pesos. The transactions of the associations consisted in the sales of agricultural products (hemp, sugar, copra, tobacco, corn, and miscellaneous products), 5,529,058.99 pesos; sales of farm supplies to members, 97,491.80 pesos; and loans and advances to members, 303,336.57 pesos.

Consumers' and Retailers' Cooperatives.—Starting in January 1938, the Bureau of Commerce organized and promoted consumers cooperative associations and organizations of Filipino retailers for cooperative buying. Later the Consumers Cooperative League of the Philippine Islands was formed.

In 1940, consumers cooperative associations numbered 68 with a total membership of some 7,000. These cooperatives were largely urban and were found especially in Manila and in Cavite. It was the aim of the associations to be universal providers, beginning with food products, but they were handicapped by the distribution factor.

Special Types of Cooperatives Under Government Sponsorship.—More recently other types of cooperatives were organized by the government. Among those were the Cooperative Association of Shoe Manufacturers in Mariguina, Rizal; the cooperative associations among the abaca planters in the Bicol region; the Buenavista Cooperative Marketing Association, composed of farmers and tenants of the Buenavista estate in the Province of Bulacan; and the various cooperatives organized by the Land Settlement Administration in Mindanao.

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Cooperative college.--There is a cooperative college in the Philippines--Union College of Manila. It was established under the auspices of the Evangelical churches of the Philippines. Its shares were 5 pesos each and there was no limit as to the number of shares one could buy, but each shareholder was entitled to only 1 vote. The members elected the board of directors of the college, and they in turn elected the administrative officers of the institution.

Medical cooperative.--The Emmanuel Cooperative Hospital, the first medical cooperative, was opened in Manila in 1936. Its primary object was to enable the family of moderate means to secure the best available medical care at rates they could afford, and to have access to medical advice at any time.

A membership in the association cost 10 pesos if paid all at once and 12 pesos if paid in installments. The following reductions on operations and treatments were given to members: 10 percent for amounts less than 100 pesos, 15 percent for those from 100 to 150 pesos, and 20 percent for those costing more than 150 pesos. Likewise, for members bed fees were 15 percent less than the average in other hospitals of the same class. By 1940, the membership consisted of 644 families.

In addition to its medical activities, this hospital was fostering cooperative study circles to start credit unions, consumer cooperative stores, and other cooperative enterprises.

Credit unions.--The first credit union in the Philippines was organized by a missionary from the United States in 1938. By 1941, there were 23 parish credit unions with 1,800 members, 40,000 pesos in share capital and 60,000 pesos loaned to members. There were also 2 educational credit unions, 2 government employees' credit unions, and 2 created by the members of consumers' cooperative societies.

The accompanying table gives such statistics as are available for the various types of cooperatives.

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Table 23--Philippine Cooperative Associations

Type	Year	Number	Membership	Capital (pesos)	Volume of business handled (pesos)
Agricultural Credit Cooperative Associations	1940	570	105,084	3,300,000	
Cooperative Marketing Associations	1939	24 ^{1/}	6,764		549,905.97
Consumers' Cooperative Associations	1940	68	7,000 ^{2/}	4,340,000 ^{2/}	
Credit Unions	1941	23	1,800	40,000 ^{3/}	

^{1/} Number studied.

^{2/} Approximately.

^{3/} Share capital.

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2. The Government and the Cooperatives

It is evident from the preceding that the government has played a large part in the promotion of cooperative associations. This role was further emphasized in 1939, when the President of the Commonwealth announced that as soon as possible the economy of the Philippines would be a cooperative economy.

An act passed in 1940 provided for the organization and supervision of cooperative associations. Under that law, 15 or more persons who were citizens of the Philippines or of the United States and residents of the former could organize a cooperative. Interest on share capital was limited to not over 8 percent per annum. Each member of the cooperative was allowed no more than 1 vote. The act also provided for the creation of a special National Cooperative Fund, and authorized the President of the Philippines to create a governmental agency in charge of cooperative promotion work.

Under this authorization, the President, in 1940, charged the National Trading Corporation, created earlier that year, with the promotion and supervision of cooperative associations. In 1941, in accordance with an Executive order this corporation took the name of National Cooperative Administration. This agency consisted of 7 departments: Education and Publicity, Organization and Supervision, Research, Agricultural Credit, Administrative, Accounting and Auditing, and Field Service.

Meanwhile, the Philippine Government had organized the following corporations to serve as intermediate organizations to carry out its cooperative objective: National Rice and Corn Corporation; National Abaca and Other Fibers Corporation; National Coconut Corporation; National Tobacco Corporation; and National Development Company with its subsidiaries--the National Foods Corporation, National Footwear Corporation, and the Textiles Factory. They were to act as federations of the local cooperatives while the National Cooperative Administration acted as the coordinator of the federations.

This system was in process of being put into operation at the time of Japanese occupation. In fact several of the above corporations were already functioning by the end of 1941.

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H. SOCIAL INSURANCE

The economic, political, and social situation in the Philippines was not conducive to the rapid growth of social insurance in many of its occidental forms. The family was the agency that traditionally performed duties associated in western countries with pensions, insurance, and care of the aged and sick.

Under the family system, which was based upon an agricultural economy, the aged, the infirm, and the indigent lived with and were cared for by their relatives. No family could refuse to shelter and feed the immediate paternal relatives or even maternal relatives twice removed. And the authorities often found it difficult to get some families to give up brothers or cousins who were lepers.

With the growth of industrialization in the Philippines, family ties began to weaken, but the Government was not wholly successful in enacting social legislation to take the place of the customary treatment of those persons who were unable to take care of themselves. As noted below, the State confined itself to enacting laws governing **accident compensation** in industrial and agricultural matters and to providing pensions for certain classes of the population.

The seeming lack of social insurance legislation within recent years was, according to reliable authorities, traceable to the fact that Philippine economy was due for a possible downward readjustment in 1946, when the archipelago became independent of the United States. Thus all taxes, which in 1941 and earlier were based upon extremely favorable marketing conditions, would, the Government thought, decline by perhaps 60 percent. At the same time wages, which had as their basis sugar, selling in the United States at above the world price, might drop as much as 50 percent as soon as the Philippines became independent, and Philippine sugar no longer had a preferential status in the United States.

The possible effects of independence upon the economy and upon the Government revenue of the Philippines, thus worked against social insurance legislation dependent upon Government support. According to reliable authority the Government preferred to postpone the enactment of such legislation until the national income had become adjusted to the post-independence influence of the world market.

In general, the only types of social insurance adopted were, as noted above, **accident compensation** and pensions for certain classes of persons. Those two types are considered below.

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1. Workmen's Accident Compensation

A succession of acts from 1908 to 1939, made the employer responsible for the physical welfare of his employees. Prior to the Japanese invasion, the employer was required to provide free emergency medical treatment in any industrial, commercial, or agricultural establishment if the number of workers was not less than 30. When there were from 200 to 400 employees, it was necessary for the employer to have a permanent or retained physician for his workers, while undertakings with more than 400 wage earners were required to maintain an infirmary or emergency hospital with 1 bed for each 100 workers. If the establishment was not more than 2 kilometers from an already-established hospital, the employer was permitted to enter into an agreement with said hospital to reserve 3 beds for each 200 of his employees.

All expenses were to be defrayed by the employer, but these measures applied only to workers and tenants whose salary or wage did not exceed 50 pesos per month. In addition, 3 tenants were to be counted to each laborer or employee.

Other acts, the latest enacted in 1936, prescribed the compensation to be received by the employee or his heirs for personal injuries, illness, or death resulting while in performance of duty. If an injury received by a worker caused death within 1 year, the employer was to pay burial expenses of not more than 100 pesos. Also, the employer was to pay from 25 percent of the average weekly wages of the deceased to dependent brothers, sisters, parents or grandparents, to 50 percent of such wages to widow or widower with 3 or more dependent children less than 18 years of age. Those payments were to continue for not more than 208 weeks.

In computing death benefits, average weekly wages were not to be reckoned at more than 30 pesos or less than 4 pesos. Likewise, compensation paid in any case was not to exceed in its aggregate the sum of 3,000 pesos.

Provisions were also made for handling disability cases. During the period of disability, the employer was to provide the employee with such medical, surgical, and hospital services and supplies as the nature of the injury required.

In the event of total disability, the employer, after the first 7 days, was to pay the employee from 4 to 18 pesos per week for no more than 208 weeks. Nor was the aggregate sum thus paid to be more than 3,000 pesos. Partial disability called for payment up to 10 pesos weekly for not longer than 208 weeks.

The employer was to defray the entire cost of this program, and was to notify the Bureau of Labor of the nature and cause of each injury.

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These laws were both indications and outcomes of the change that was taking place in Philippine economy before the Japanese invaded the archipelago. In 1938, the Philippine Secretary of Labor commented upon the increase in the number of reported accidents from 1934 to 1938. The Secretary attributed the increase not so much to the higher incidence of industrial accidents, as to the increasing industrialization of the country, the growing consciousness of laborers of their rights, the changing attitude of employers toward their laborers, the presence of Government officials in the provinces whose duty it was to attend to all compensation cases, and the cooperation of peace officers and officials of public and private hospitals. All these factors and agencies contributed to the more complete reporting of accidents.

The following table shows the number of labor accidents handled by the Government from 1934 to 1938.

2. Pensions to Public Employees

From 1916 to 1929, the Philippine Government established pensions for certain classes of persons. Thus, teachers after 20 years of service were entitled to pensions ranging from 40 to 80 percent of their average compensation for the 3 years preceding retirement. The pensions were not to exceed 6,000 pesos. To defray the expenses of this service, 3 percent of the teacher's monthly basic salary was deducted, and the State made an annual appropriation that was equal to 3 percent of the total annual appropriation for teachers' salaries.

Other groups were affected by pension laws of 1924. Any officer or enlisted man of the Philippine Constabulary 55 years of age and with 20 or more years of service was entitled to an annual pension. This annuity was to be equal to 2.5 percent of the total pay received annually during his service, but the pension was not to exceed 75 percent of the total pay received by the prospective pensioner on the date of his retirement.

In 1924, the Government also provided a fund for the pension and retirement of certain officers and employees of the Public Health Service. They were to be permitted to retire after 20 or more years of service, and were to receive an annual pension equal to 2.5 percent of their salary at time of retirement for each year of active service. However, this amount was not to exceed 75 percent of the salary at time of retirement, and to be eligible for pension, it was necessary for the person to have completed 10 full years' deduction on a basis of 3 percent of his monthly salary.

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Compensation Cases, 1934-1938

Year	Total Accident Cases			Cases Closed	
	Handled	Reported	Fatal	Compensated	Non-compensated
Total	26,948	17,768	1,368	15,662	10,871
1934	3,167	2,442	182	2,168	1,490
1935	3,663	2,664	227	2,602	1,688
1936	4,271	3,210	244 ^{a/}	2,302	1,661
1937	6,246	4,277	359 ^{a/}	1,820	1,040
1938	9,601	5,175	356	6,770	4,992
					4,778

^{a/} Includes later deaths.

Year	Expenses incurred for--				Grand Total (pesos)
	Total amount paid by employer (pesos)	Medical (pesos)	Hospital (pesos)	Funeral (pesos)	
Total	980,185.81	223,143.90	156,645.84	26,146.07	1,386,127.62
1934	145,203.52	32,242.90	23,534.90	3,992.89	204,974.21
1935	146,884.82	40,789.35	26,490.98	4,790.35	218,955.50
1936	134,878.01	40,695.77	24,321.23	3,738.61	203,623.62
1937	249,843.28	24,832.46	19,577.04	5,722.47	299,775.25
1938	303,376.18	84,789.42	61,721.69	7,901.75	458,789.04

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II. LABOR CONDITIONS UNDER JAPANESE OCCUPATION

Because of Japanese control and censorship policies very little detailed information is available regarding labor conditions in the Philippines since the Japanese occupation of the Islands in the early part of 1942. However, from certain confidential sources and from a judicious interpretation of various Japanese-controlled broadcasts a fairly good picture can be formed of the major trends in matters affecting labor.

A. GENERAL EFFECTS OF INVASION

The Japanese occupation immediately and severely disrupted the Philippine economy. All Americans and nationals of other belligerent countries were interned. Practically all business houses were closed. In addition, factory operation in the occupied areas was brought to a standstill through stripping the factories of their supply of oils and base materials, or through the invaders' failure to grant permits to the mill owners which would have made it possible for them to secure the necessary materials with which to run their factories.

Further economic dislocation resulted as the Japanese changed the emphasis in agriculture, mining, and manufacturing industries. Sugar, one of the leading products of the Philippines, was de-emphasized and cotton cultivation which had hitherto been relatively unimportant was stressed. Copper rather than the previously important gold mining was accelerated. And the soap, tobacco, and liquid fuel industries were stimulated.

Another unsettling factor of prime importance was the introduction of paper money. Japanese military notes to the amount of 100,000,000 to 150,000,000 pesos were decreed the legal tender of the Philippines, although the Philippine peso is allowed to circulate. The Japanese military peso has a greatly depreciated value in purchasing power, in terms of the former Philippine peso which was valued at 50 cents in American money.

As a result of the foregoing activities, accompanied by the loss of American markets for Philippine goods, the Japanese paralyzed the regular turnover of business, brought about widespread unemployment, and reduced to a most serious degree the buying power of the Filipinos.

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1. Employment

The effect of the invasion on labor was first evident in the field of employment. The stoppage of industry and changes in agricultural production caused large numbers of persons to become unemployed. As a result many government agencies and various projects were established by the Japanese to give work to the jobless. Relief work including work on military construction works and such industries as those engaged in the making of tooth-brushes was inaugurated. The authorities transferred from Japan to the Philippines machinery for the textile industry, and this action, according to the Japanese, provided considerable employment in the cotton-raising areas. In addition, many Filipino prisoners of war were inducted into the Philippine Constabulary. In many instances, when urban employment for the unplaced persons could not be found they were transported back to their original homes in the provinces.

Some idea of the extent of the employment problem can be gained from the fact that from the middle of 1942 to September 1943, 2 agencies were said by the Japanese to have placed more than 117,000 persons. There are many indications that these figures included not only persons who were seeking employment, but also individuals who were forced to work. That the Japanese resorted to forced labor is evident from various sources, such as an item in the Manila Tribune of September 21, 1943, which stated that in the previous month more than 200 ex-soldiers and an equal number of war widows and orphans were drafted into service in the relief projects. If employment is available, the Filipino is compelled to accept it. This practice was legalized in the constitution of the present puppet Republic of the Philippines, which declares it the duty of every citizen to engage in a useful calling, occupation, or profession.

2. Wages and Hours

It seems clear that it is a definite policy of Japan to reduce wage standards in the Philippines to the general level prevailing on the continent of Asia. The Japanese reversed the wage and hour trend that the Philippine Commonwealth had inaugurated. Under the Commonwealth, a minimum daily wage of 1 peso in the provinces and 1.25 pesos in Manila had been established, and the legal work-day was 8 hours in length. The invaders repealed all laws which provided for minimum daily wages and maximum hours of labor. A maximum daily wage of 80 centavos for unskilled male workers was ordered for the city of Manila. In the provinces the maximum was set at 64 centavos.

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The invaders attempted to control prices. Commodity after commodity was placed under "control" at a fixed price, and the usual result was that such products became difficult to obtain. At the same time the scale of rentals in Manila was reduced, and all rentals there were frozen at the lower level.

As table 24 shows, price fixing was relatively ineffective except in the case of rice. Apparently interested in assuring to the Filipinos a subsistence level of existence, the Japanese established both price control and rationing of rice, the basis of the Philippine diet. The distribution of rice was under the control of the Filipino Rice Company founded by the Military Administration. Later, the price of fish, the other principal food, was controlled, but in the meantime it had increased in price from 66-2/3 to 250 percent, as indicated in the table below.

This table indicates the rise in retail prices in Manila, from which some idea of the advance in the cost of living can be gained. The prices given are based upon the best information available, but cannot be considered as being statistically exact. Black market prices listed as of September 1943 were largely nominal, since the actual sales price depended on bargaining and varied widely among various dealers.

Table 24--Retail Prices of Controlled Products in Manila, 1942-1943

Item	Unit	Control Effective	Price in Pesos			
			Jan. 1942	Dec. 1942	Sept. 1943 Controlled	Black Market
Rice	Sack	July 1942	6.00	12.50	7.50	155.00
	56 Kilos 1/					
Margarine	1 Kilo	June 1943	.25	4.50	—	20.00
Vegetable lard	1 Kilo	Oct. 1942	.15	3.00	—	Unobtainable
Sugar (brown)	Sack	June 1943	7.50	7.50	8.75	198.50
	63 Kilos					
Pork	1 Kilo	Aug. 1943	1.00	2.50	2.15	6.50
Beef	1 Kilo	" "	1.50	2.50	2.00	6.50
Carabao	1 Kilo	" "	.60	1.50	1.60	5.00
Bacon (domestic)	1 Kilo	" "	3.80	6.00	—	12.00
Fish (Bangos)	Each	June 1943	.20	.35	.50	1.00
Fish (Other)	1 Kilo	" "	1.20	3.20	2.00	6.50

1/ 1 Kilo = 2.2 pounds approximately.

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4. Organized Labor

The State, as in other Axis-dominated countries, moved to organize labor under the direct surveillance of the Government. Pre-invasion labor unions were outlawed, and all the activities generally associated with labor organizations either were taken over by the authorities or were made inoperative. To take the place of the former unions, a labor front, following the German model, was created in the guise of the Central Labor Union. This agency of the invaders was established in Manila to pave the way for a centralized control of the labor force and wages.

5. Administrative Changes

Under the Japanese Military Administration and the puppet Philippine Republic, proclaimed in October 1943, labor problems were handled by a succession of government agencies. Finally, in January 1944, labor matters were allocated to the Ministry of Health, Labor and Public Welfare.

6. Cooperatives

Imitating the Axis pattern employed in several other conquered lands, the Japanese have maintained the outward semblance of the Philippine cooperative movement. The cooperative framework as it existed under the Commonwealth has been continued and expanded by the invaders, with the addition of Japanese technical and financial assistance. But the cooperative structure has been adapted to serve Japanese objectives.

Cooperatives have been encouraged in those lines in which increased production is especially desired by the military authorities. Thus with the Japanese interested mainly in Philippine agriculture, by February 1944, the most numerous of the cooperatives consisted of 206 farmers' or producers' cooperatives with a membership of some 87,000 farmers.

Also, in order to gain the support and possibly the allegiance of the Filipinos, the Japanese encouraged cooperatives in retail businesses which formerly had been controlled by the Chinese to the detriment of the Filipino.

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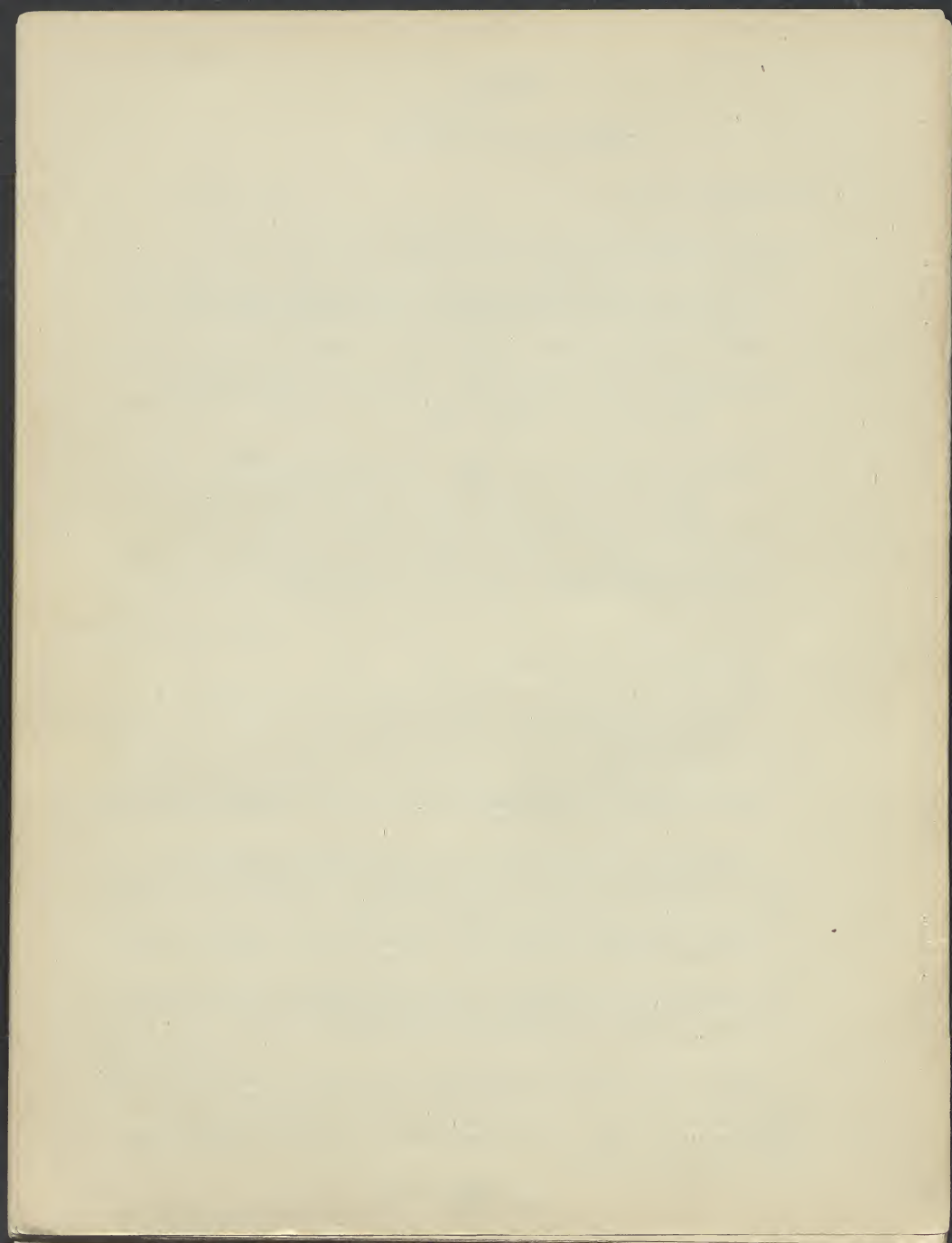
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